

The complaint

Mr B and Mrs R have complained that Bank of Scotland PLC ("BoS") provided them with an Ultimate Reward Current Account ("URCA"), which they say contains unclear wording about whether the use of a golf buggy is covered by travel insurance included with the account.

Mr B and Mrs R also say that BoS should've explained that the use of a vehicle is not covered under the URCA travel insurance personal liability cover, when Mr B was added to the account.

What happened

Mrs R took out a fee-paying URCA in 2011 and added Mr B to her account as a joint account holder in 2016. Whilst on a holiday in early 2017, Mrs R was unfortunately involved in an accident, whilst driving a golf buggy.

A while later, Mrs R received a personal injury claim against her from a person who'd been involved in the accident.

Mrs R submitted a personal liability claim under the URCA travel insurance. However, the insurer declined her claim on the basis that the personal liability cover does not cover the policy holder when using a vehicle.

Mrs R subsequently submitted a complaint to both the travel insurer and BoS.

BoS responded and said that the travel insurer is the 'manufacturer' of the policy, and the travel insurer 'own' the terms and conditions of the policy. So BoS said that Mrs R would need to take up her concerns with the travel insurer, if she thought that the policy terms were not clear enough.

After Mrs R referred her complaint to the Financial Ombudsman Service, one of our investigators assessed the complaint.

They concluded that BoS had not acted unfairly or unreasonably. They explained that the travel insurer is responsible for setting the policy terms and conditions – so they didn't think BoS could be held responsible, if Mrs R thought that the policy terms were unclear.

The investigator explained that BoS was however responsible for providing the insurance documentation and informing Mrs R and Mr B of any changes to the policy. They concluded that it seemed likely that BoS had done this. They said that BoS had provided Mrs R with a welcome pack (during the sale of the account in 2011) and sent out notice of variation letters when changes were made, as well as annual eligibility statements, after they became a requirement in 2013.

Unhappy with the investigators assessment, Mr B and Mrs R's complaint was referred for an ombudsman's decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

We've explained our approach to complaints about packaged accounts on our website, and I've used that to help me decide this complaint. And having considered everything, I don't uphold this complaint. I will explain why.

From what I understand, Mr B and Mrs R's complaint is partly that they believe that the URCA travel insurance policy wording is unclear. Specifically, they say the exclusion relating to the use of a vehicle under the personal liability cover is not clear. They say there is no definition of what a vehicle is within the policy and whether this includes a golf buggy.

However, as the investigator and BoS have explained, the insurer is responsible for the terms and conditions of the travel insurance policy. The insurer is also responsible for ensuring that any claims are handled correctly, fairly and in accordance with the policy terms and conditions. This is reflected in the policy terms and conditions which say:

"About Your insurance contract

Your policy is a legal contract between You and Us"

"We/Us/Our" is defined in the policy as the insurer – not BoS.

As such, given that Mr B and Mrs R's complaint is partly that they believe the policy wording is unclear, that aspect of their complaint is a matter for the insurer to answer, not BoS. So even if I thought the policy wording is unclear (although I'm not saying it was), that is not something I can reasonably hold BoS responsible for.

In terms of BoS's responsibility, in this case it was acting as an insurance intermediary. This means it was responsible for, amongst other things, ensuring Mrs R was provided with enough information during the sale of the account, so she understood what she was agreeing to.

Looking at everything I have been provided with, it seems that the URCA was sold on a non-advised basis. This means that BoS didn't have to check whether the account benefits were appropriate for Mrs R's specific circumstances in 2011. But, BoS was still required to highlight the important terms, conditions and exclusions for the various insurance products included with the URCA. This was to ensure that Mrs R was able to make an informed decision about whether the URCA, and the associated benefits, would be appropriate for her circumstances.

In this case, I've not seen anything to suggest that BoS failed to do that during the sale of the account in 2011. For example, I can see Mrs R contacted the different product providers at various times over the years she had the URCA. This indicates that she had been provided with enough information to know what cover she had and how to use the respective insurance products.

It also seems to have been the case that BoS provided Mrs R with a welcome pack. This contained the key facts documents and policy wording for the individual products provided by the account. The purpose of this was so that Mrs R could review what was and wasn't covered by the different products included with the account, during the time she held the URCA.

So based on everything I have seen, it seems that BoS did what it was required to do when the account was sold to Mrs R in 2011. So I can't reasonably say that the URCA had been mis-sold.

I note that Mrs R later added Mr B to the account, as a joint account holder, in 2016. Although BoS have not been able to provide any notes about this event, Mrs R says that they did discuss with BoS the levels of cover provided by the URCA. Mrs R says that they were provided with a 'Key benefits statement', and it was the contents of this document alongside their discussion that led them to decide to keep the URCA, as it provided appropriate levels of cover for their circumstances.

Although there is very limited evidence to indicate what exactly was discussed, based on what Mrs R and Mr B recall, it does seem that BoS took reasonable steps to ensure Mrs R and Mr B had a good appreciation of the levels of cover included with the URCA account. So I think that Mrs R and Mr B were able to decide for themselves whether it was appropriate for their needs. I'm also mindful that, as Mrs R had already held the URCA for a number of years by this point, she likely already had a good understanding of what benefits were included with the URCA and was clearly happy to retain the account because of the benefits it provided.

However, when Mrs R and Mr B were discussing the levels of cover included with the account, BoS can't reasonably be expected to have pointed out - or to have discussed - each and every term and exclusion contained within all of the insurance policies. This of course would be unrealistic given the number of different insurance products included with the URCA, and the number of terms and exclusions included within each policy document.

Instead, BoS could only reasonably be expected to have pointed out the key terms and exclusions. However, I don't think whether or not the use of a golf buggy was covered under the personal liability cover, is something that BoS should have specifically highlighted or discussed, when Mr B was added to the account. So, I'm unable to say that BoS has acted unfairly or unreasonably, if it did not mention this specific exclusion when Mr B was added to the account.

Mrs R says that when she added Mr B to the URCA, they did discuss other accounts but ultimately chose to stick with the URCA as they were happy with the cost and levels of cover it provided. For example, because it included golf cover. But, as outlined above, I don't think BoS could reasonably have been expected to have made a very detailed comparison of the personal liability cover between the different packaged accounts - unless Mrs R or Mr B had specifically asked about this. But I've not seen anything to suggest that they did specially ask about this, when Mr B was added to the account. So, I can't say that BoS has acted unfairly or unreasonably if it didn't do this, when Mr B was added to the account.

I also think it's the case that, the specific events that unfortunately gave rise to the claim were not particularly foreseeable when Mrs R and Mr B were considering whether to continue with the URCA. As such, I don't think it's likely that Mrs R and Mr B would've acted any differently, even if the specific exclusion had been drawn to their attention by BoS when Mr B was added to the account.

Mrs R has also commented that other travel insurance policies included under other BoS accounts – namely a Premier Private bank account - specifically included cover for using golf buggies. However, the Premier Private account costs £25 per month, so was around £10 more per month than the URCA. But it can reasonably be expected that a more expensive packaged account would provide higher levels of cover. And it seems that Mr B and Mrs R had ruled out paying for a more expensive packaged account (and therefore higher levels of cover), as they were happy with the levels of cover already included with Mrs R's existing account.

Furthermore, it's not clear if Mrs R and Mr B would've even been eligible for the Private Premier account. I say this because they would've needed to have had £250,000 in assets with BoS, or a £250,000 income, to qualify for it. So, I'm not sure that a comparison of the insurance cover included with the Private Premier account is particularly helpful or relevant to this complaint.

As well as saying that BoS should've drawn the specific exclusion to their attention when Mr B was added to the account, Mrs R also says that the breakdown cover that was included with the URCA, does define what a vehicle is. Mrs R says that BoS should therefore be held responsible for these "inconsistencies" between the two products.

However, although the two different products were bundled together (with other products) as benefits of the URCA, the two products provide different types of insurance cover and are

provided by different insurers. As such, I don't think the fact that one insurer - that provides breakdown cover - has chosen to define what a vehicle is, means that BoS is somehow at fault, because a different insurer has not made such a definition within a different insurance policy.

I appreciate that, with the benefit of hindsight, Mrs R now says that had she known that she wasn't covered for personal liability when using a golf buggy, she wouldn't have used one on her trip, or would've taken out a travel insurance policy that did include such cover. But from everything I have seen, I can't say that BoS has done anything wrong or acted unfairly or unreasonably towards Mrs R and Mr B. Ultimately, it would've been up to Mrs R and Mr B to check the details of what they were and weren't covered for before their trip, and to have contacted the insurer if they were unsure about any aspect of the travel cover. And I've not seen anything to suggest that BoS had misled Mrs R or Mr B into thinking that they were specifically covered for using a golf buggy under the personal liability cover whilst on their holiday.

So in summary, whilst I sympathise with the situation that Mrs R found herself in, I don't think it would be appropriate to say that BoS should pay Mrs R for the uninsured loss that she unfortunately incurred.

My final decision

Because of the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mrs R to accept or reject my decision before 7 February 2024.

Thomas White
Ombudsman