

## **The complaint**

Mr and Mrs M have complained that Bank of Scotland Plc ("BoS") withdrew travel insurance from their packaged account because of Mr M's age. They say the packaged should be made cheaper as they are no longer able to benefit from the travel insurance.

Mr and Mrs M are unhappy with the age limit on the travel policy, as they say BoS provide another more expensive account that includes travel insurance with an age limit of 80.

## **What happened**

In its final response to the complaint, BoS said that the age limit in the travel insurance provided by the Ultimate Reward Current Account ("URCA") are part of the terms and conditions of the account. BoS said that if Mr and Mrs M no longer think the URCA meets their needs, it offers a range of other accounts and provided a telephone number for Mr and Mrs M to discuss alternative accounts.

After Mr and Mrs referred their complaint to our service, one of our investigators assessed the complaint and she didn't uphold the complaint.

Mr and Mrs M disagreed with the assessment, so the matter 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 this to help me decide this complaint. And having considered everything, I'm unable to uphold this complaint, essentially for the same reasons the investigator gave.

Firstly, I should explain that although this case is against BoS, it is the insurance underwriter who is responsible for setting the terms, conditions, exclusions and eligibility requirements of the travel insurance policy.

Therefore, I can only consider this case in the context of BoS providing travel insurance as a benefit of its fee-paying URCA account. It appears that there has always been an age limit on the URCA travel insurance of around 70 since Mr and Mrs M first upgraded to the URCA in 2011. And it doesn't appear to be in dispute that BoS made Mr and Mrs M aware of the age limit. So, it's clear that BoS did what it is required to do in terms of making Mr and Mrs M aware of the age limit on the URCA travel insurance policy.

Turning to The Equality Act 2010, I appreciate that it banned age discrimination in the provision of goods and services. And I note that Mr M says that BoS has discriminated against him due to his age. But, as the investigator explained, there is an exception in the relevant laws for providing financial services such as travel insurance. In summary, they allow a bank (or insurance provider) to continue to use age as a factor in designing, pricing, and offering its insurance products.

I'm sure Mr and Mrs M are aware that most travel insurance policies have upper age limits included in their insurance policies – it is essentially standard industry practice to include such limits (although I understand there are specialist policies that now include very high age limits or no age limits at all). And having considered the specific circumstances of this complaint, I'm unable to agree that BoS has treated Mr and Mrs M unreasonably or unfairly, because Mr M became ineligible for the travel insurance provided by the URCA due to his age.

I note that Mr and Mrs M have asked for a reduced monthly fee, due to Mr M no longer being covered by the URCA travel insurance. But the URCA that Mr and Mrs M have is a packaged account. This means that in return for a monthly fee, account holders receive a package of benefits. However, as the benefits included with the account are provided as a package, this means that account holders cannot pick and choose what benefits the account come with. This also means the account fee is a set monthly amount, regardless of how much or little the benefits are used by the account holders.

Therefore, if account holders no longer think a packaged account represents good value for money, for example if they are no longer eligible for one or more of the products (as is the case here), or they simply don't need some of the products included in the package, then it is up to the account holders to change account. And as the account operates on a monthly rolling basis, Mr and Mrs M can downgrade their account whenever they want. Because of this, I can't say that BoS is being unreasonable by not reducing the cost of the URCA because Mr M became ineligible (and was aware he'd become ineligible) for one of the insurance benefits on the account due to his age, but chose to keep paying the monthly fee for the URCA.

Finally, I note that Mr and Mrs M say that BoS provide another, more expensive, packaged account that includes travel insurance that includes more extensive cover with a higher age limit. I'm not sure which product Mr and Mrs M are referring to. But I can't reasonably say that BoS should provide them with that account but at the same price as the URCA, just because they are unhappy with the age limit on the URCA travel insurance. After all, it seems reasonable that a package account that provides better levels of cover would cost more.

It's also the case that BoS was under no obligation to make Mr and Mrs M aware of this alternative product once Mr M was no longer eligible for the URCA travel insurance cover. Although I can see in the final response letter, BoS did offer to discuss its other accounts with Mr and Mrs if they didn't want the URCA anymore.

So having considered everything, I'm unable to say that BoS has acted unfairly or unreasonably in this matter.

### **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 and Mrs M to accept or reject my decision before 17 November 2023.

Thomas White  
**Ombudsman**