

The complaint

Mr B has complained that Revolut Ltd (“Revolut”) mis-sold him a Premium packaged account in January 2019 and a Metal packaged bank account in August 2019.

Amongst other things Mr B is unhappy that he was told that the travel insurance did not cover cancellations and that under the Metal account he feels that the lounge pass benefit was not described correctly.

What happened

One of our adjudicators considered what both parties had said, and they ultimately concluded that the travel insurance wasn’t described correctly prior to the sale of the Premium packaged bank account. The adjudicator also concluded that we did not have enough information to establish that the lounge pass benefit for the Metal account was described correctly either. He concluded that, on balance, from the information that was available that Mr B would not have taken out either account had the benefits been described adequately. The adjudicator therefore thought that Mr B should be refunded all the account fees that he had paid, with interest less any account fee that had already been refunded to Mr B.

Revolut did not respond to this assessment. So this matter has been referred to an ombudsman to issue a decision.

I understand that Mr B also had an issue with device insurance, but my understanding that this was purchased through a third party and has already been refunded. So I will not be addressing this aspect of Mr B’s complaint.

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 packaged bank accounts on our website and I’ve used that to help me decide this case. And having considered everything provided I think that this complaint should be upheld. Let me explain why.

In relation to the Premium account, my understanding is that one of the major benefits was travel insurance. I also understand that Mr B says this was one of the things that attracted him to the account.

Mr B tried to make a claim under this policy for cancellation in February 2020. Looking at the chat logs between Mr B and the agent for Revolut, I can see Mr B was told that the policy did not include cancellation.

We have asked for clarification on this, as the terms and conditions we have been provided with say that cancellation *is* covered by the travel insurance. But it is not clear when the terms and conditions were in effect. We have not received any clarification on what exactly the terms were when the account was sold. So I am proceeding on what was explained by

the agent of Revolut and in the final response i.e. that cancellation was not covered.

As this is not a standard exclusion for travel insurance, I would expect this to be clearly highlighted during the application for the Premium account. We have asked for evidence to demonstrate how the travel insurance was described at the time the account was taken out. But from the screenshots provided, it seems as if the travel insurance is just described as “*free Global Travel insurance*”. I accept that there is a link to the more detailed terms but this links to the current terms and conditions not the ones from point of sale.

So without any further evidence to suggest otherwise, I am unable to conclude that the cancellation exclusion was highlighted to Mr B prior to the sale. I am satisfied that had Mr B been aware of this exclusion, I think it's likely that he would not have taken out the account. So I think that Mr B has suffered a loss as a result of the lack of information provided at the time of the sale. It therefore follows that I uphold Mr B's complaint about this sale.

In relation to the Metal account, my understanding is that Mr B took out this account as he wanted to benefit from the free lounge pass benefit. Again, we have asked for evidence of how this benefit was described during the account application process. We have been given a screenshot of the application process, but this only shows that this benefit is described as “*lounge key access visit over 1000 lounges worldwide*”. Again, this to me is not clear as to exactly what is being offered. Revolut says at the time the account was sold, this benefit was one free lounge pass a year, but I can't see where this is described.

Mr B has been very clear that had he known that it was only one lounge pass a year he would not have agreed to this account. So, based on what Revolut has been able to provide, I think that Mr B lost out due to Revolut's description of this account.

So given this I think that both the Premium and Metal account were mis-sold to Mr B.

Putting things right

Revolut should put Mr B back into the position he would be in, if it hadn't mis-sold the Premium and Metal account. So it should:

- refund and pay to Mr B all the fees he paid for the Premium and Metal account (that have not already been refunded); and
- add simple interest at 8% per year on each of the above fees, from the date they were paid to the date of settlement†.

If Revolut is able to work out any additional savings Mr B has made from holding the accounts and it can show these calculations to him, it may, if it wants, deduct this additional saving from any compensation that is paid.

†HM Revenue & Customs requires Revolut to take off tax from this interest. Revolut must give Mr B a certificate showing how much tax it's taken off if he asks for one.

My final decision

For the reasons given above, I'm upholding Mr B's complaint. I therefore require Revolut Ltd to put matters right, as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or

reject my decision before 22 October 2021.

Charlie Newton
Ombudsman