

## **The complaint**

Mr W has complained that Bank of Scotland Plc ("Halifax") mis-sold him a fee-paying Ultimate Reward Current Account (URCA), which was sold to him in July 2010.

Mr W says he initially went to a Halifax branch to discuss mortgages but ended up being sold a fee-paying URCA.

He says he felt pushed into taking the account and was told that the URCA would bring extra benefits such as better interest rates and further discounts but says he could've got cheaper interest rates and products elsewhere. He's said that he didn't need the benefits provided by the URCA as he had the relevant cover elsewhere.

Mr W is also unhappy that when disclosing a medical condition to the complaint handler at Halifax, they laughed at him.

## **What happened**

One of our adjudicators assessed the complaint and didn't think the URCA had been mis-sold. She also explained that our service is unable to look into his concerns about complaint handling, but did explain that Halifax has since offered Mr W £50 as an apology due to a complaint handler laughing during a call.

Mr W disagreed with the adjudicator's assessment, so asked for an ombudsman to review his complaint.

As outlined by my colleague, our service is unable to look into complaints about how a financial business has handled a complaint. I therefore won't address that aspect of his complaint in this decision. If Mr W would like to accept Halifax's offer of £50, he should contact Halifax directly.

## **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 bank accounts on our website and I've used that to help me decide this case.

I've started by considering whether Mr W was given a fair choice in upgrading his account to a fee-paying URCA. I can see that Mr W had held a fee-free account with Halifax for some time. So I think he was aware that he didn't have to agree to it. And he's not said anything to make me think he thought he was no longer able to keep his account as a fee-free one either.

Mr W has also said that he was pushed into the account. But looking at Mr W's comments about this, I've not seen anything to indicate that he was pressured into agreeing to it. On the contrary, Mr W's testimony appears to suggest that Halifax persuaded him to agree to

the URCA, and perhaps with the benefit of hindsight, he now believes the account to have been poor value for money. However, that in itself does not mean that it was mis-sold or that Halifax was wrong to have sold the account to him when it did.

Therefore, I am satisfied that Mr W was given a fair choice when the URCA was sold to him.

Halifax says that the account was sold on a non-advised basis. Whereas Mr W believes that he was advised to take out the account. However, for a packaged account to be advised, the bank would generally need to assess the consumer's demands and needs and then provide a personalised recommendation based on those needs.

Mr W's recollections suggest that he went in to discuss mortgages, and during that conversation it was pointed out to him that a benefit of the URCA was that it provided reduced interest rates on mortgages, and so he agreed to it on that basis. Therefore, based on what both Halifax and Mr W have said I'm satisfied that it was sold on a non-advised basis.

This means Halifax didn't have to check if the individual benefits were right for him. But it did have to give him the important information about the account and the benefits, so that he could decide for himself whether to upgrade.

Mr W says he went in to discuss mortgages and ended up with an URCA, which was something he did not intend to take out when he went to the branch. However, just because Mr W may not have initially intended to take out an URCA does not mean that Halifax should not have, or was wrong to have, discussed one with him. And I understand one of the benefits of the URCA was that it provided access to preferential interest rates on its range of mortgages. So I can't say that Mr W was misled on that basis. And although Mr W says that he could've got various products (including the mortgage) cheaper elsewhere, Halifax can only reasonably be expected to provide information on the products it provides.

It's clear that Mr W was given information about the account benefits and how to use them. For example, he went on to register mobile phones under the mobile phone insurance; he made multiple claims under the breakdown cover and home emergency cover; and made an enquiry with the travel insurance provider.

Mr W says that he already had the cover elsewhere, so felt that the URCA was not necessary. But it was up to Mr W, rather than Halifax, to decide whether to keep the existing policies or whether to rely on the ones provided by the account. And given the extent of use over the years he's had it, it's clear that Mr W was, at least initially, happy to rely on the benefits provided by his URCA.

I appreciate that Halifax may not have given Mr W all of the important information it should've during the sale. But looking at Mr W's circumstances, I've not seen anything that makes me think he would've been put off from agreeing to it, had he been given even more information about the account and the associated benefits. Therefore I don't think that the URCA was mis-sold.

Mr W has said that Halifax should've regularly reviewed whether the URCA continued to meet his needs. But it was not obliged to do that. So I can't say it has failed to do something that it should've done.

Due to a change in the rules in 2013, Halifax was required to send annual eligibility statements to Mr W. These were to remind account holders of the insurance benefits they had and the eligibility criteria that applied to each one. And they prompted account holders to contact Halifax if they felt the account no longer met their needs. And from what Halifax has

provided, I can see that it did send these to Mr W. So I think it took reasonable steps to remind Mr W of his benefits and eligibility and provided him with ample opportunity to downgrade his account if he felt it was no longer suitable for him.

Finally, Mr W has said that he has a long-standing medical condition which has meant he has, until raising this complaint, been unable to downgrade his account. I'm sorry to hear about Mr W's condition and based on what he's said about it, I appreciate that it may've had an impact on his ability to deal with his financial affairs. However, I can also see that Mr W has made a number of claims, registrations and queries, and even raised a complaint about the home emergency cover. So I think there were times when he was in contact with Halifax where he could've requested a downgrade if he wanted to. But even if he was unable to ask for the account to be downgraded because of his medical condition, I can't reasonably say that was because of something that Halifax had done wrong.

So overall, I don't think it would be appropriate in the circumstances to require Halifax to refund Mr W's account fees.

### **My final decision**

Because of the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 25 May 2020.

Thomas White  
**Ombudsman**