

## **The complaint**

Mr and Mrs M have complained that in May 2021 Ulster Bank Ltd (“Ulster”) failed to make it clear to them that they would not be able to revert back to the UFirst Private account, when they asked for their account to be downgraded to a fee-free account.

Mr and Mrs M would like their account to be changed back to a UFirst Private account.

## **What happened**

In response to the complaint, Ulster conceded that it should’ve made it clear to Mr and Mrs M that the UFirst Private account had been withdrawn to new applications, and so should’ve highlighted to Mr and Mrs M that if they downgraded their account, they would not be able to reinstate it. In recognition of this, Ulster offered to pay Mr and Mrs M £50 to apologise for the error.

Unhappy with this, Mr and Mrs M referred their complaint to our service. One of our adjudicators assessed the complaint and they thought that Ulster’s offer was reasonable. Mr and Mrs M disagreed with the adjudicator’s assessment, so the matter was referred for an ombudsman’s decision.

I issued a provisional decision on 4 November 2022, explaining why I thought Ulster needed to do more than pay Mr and Mrs M £50 to put matters right. I have included an extract of my provisional decision below and it forms part of this decision.

### ***“What I’ve provisionally 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’m currently minded to uphold this complaint.*

*From what I have seen, it does not appear to be in doubt that Ulster failed to make it clear to Mr and Mrs M that they would not be able to revert back to the UFirst Private account, when they asked for it to be downgraded. And Ulster says that this is something that should’ve been made clear to them at the time. As such, I don’t think it’s in dispute that Ulster made an error.*

*Therefore, it leaves me to consider what, if anything, Ulster should do to put matters right.*

*In the circumstances, it seems likely that Mr and Mrs M would’ve not downgraded their account, had they known they would not be able to get it back again. I say this especially as Mr and Mrs M say they only wanted to temporarily downgrade it and then a while later did ask for their account be reverted back to being a UFirst Private account. I understand they wanted to revert back especially as they liked the*

*unlimited airport lounge access it provided and say they are now having to pay a fair bit more than the account cost, even for limited airport lounge access.*

*Ideally, I would now ask Ulster to revert things to the way they were, as this would be the most straightforward way of putting Mr and Mrs M back into the position they would've been in, had the error not occurred. To do this, I would've required Ulster to reinstate the UFirst Private account for Mr and Mrs M, and to refund what Mr and Mrs M have had to pay for airport lounge access, less the extra amounts they would've paid in account fees, to continue with the 'UFirst Private' package on their account. However, unfortunately Ulster says it is unable to do this, as its system will not allow a UFirst Private account to be added to an account.*

*Given this, I have gone on to consider how else Ulster could reasonably put Mr and Mrs M back into the position they would've been in, had the error not occurred. It seems that Mr and Mrs M are mostly aggrieved that they have lost the unlimited airport lounge access that was provided as a benefit of their UFirst Private account.*

*So in the circumstances, I think that a fair way for Ulster to put matters right is by paying Mr and Mrs M an amount of compensation that will allow them to take out equivalent airport lounge passes for a reasonable period of time, plus a measure of compensation for the distress and inconvenience that has occurred.*

*Because of this, I think that Ulster should do more, beyond the offer it made in its final response letter, to put matters right.*

*In this case, Mr and Mrs M have provided evidence to show that they have spent £189 each for a year's worth of airport lounge access. However, they say that the replacement product they have purchased is not a like-for-like replacement, as it only included limited lounge access. Whereas I understand the access provided by the UFirst Private account was unlimited.*

*I have looked at what the provider of the UFirst Private airport lounge access charges for unlimited airport lounge access. According to the provider's website, it costs £268 per person, per year, for unlimited airport lounge access. Therefore, in an attempt to put Mr and Mrs M back into the position they would've been in, had they not downgraded their account, I currently think that Ulster should pay Mr and Mrs M the cost for both of them to have unlimited lounge access, less what they would've paid had they continued with the UFirst Private account. So the deduction should only be based on the extra cost of the UFirst Private account beyond what they did (or will) pay in account fees since they downgraded to a cheaper account.*

*I have considered for how long a period they should receive this for – because arguably Mr and Mrs M could've continued to hold a UFirst Private account for some time. The award should cover a reasonable amount of time. And in this case, I think a reasonable period of time is two years. I say this because Mr and Mrs M have said since they removed the UFirst Private package from their account, they've paid for two consecutive years of airport lounge access – so I think it's likely that they would've kept the account for at least that time.*

*However, when deciding how long a period this should cover, I've also taken into account the possibility that Ulster may well change the benefits, or completely remove (from existing account holders) the UFirst Private account, beyond this period of time. So I don't think it's reasonable for Ulster to essentially keep funding Mr and Mrs M's airport lounge access in perpetuity in the future, or indeed, beyond a two year period of time since they downgraded.*

*Finally, I note that this matter has caused inconvenience to Mr and Mrs M – not just in them having to complain, but also in having to source alternative products elsewhere. And in light of the inconvenience they have experienced, I currently think that Ulster should pay them a further £50 for the distress and inconvenience they have experienced – which would bring the total award up to £100 (taking into account what Ulster has already paid Mr and Mrs M) for the distress and inconvenience caused.*

### **Putting matters right**

*So, based on what I have said above, I'm currently intending to require Ulster to do the following to put matters right:*

- *Pay Mr and Mrs M £1,072 (4 x £268 – representing 2 years of unlimited airport lounge access for Mr and Mrs M from the UFirst Private product provider, to replicate the airport lounge benefit they received under the UFirst Private account);*
- *Less the extra amount Mr and Mrs M would've paid for the UFirst Private package, for a two-year period, calculated from when the account was downgraded (i.e. the amount to be deducted should be based on the difference between the monthly cost of the UFirst Private account and what they did or will actually pay for their account, over a period of 24 months); and*
- *Pay Mr and Mrs M a further £50, for the distress and inconvenience they have experienced as a result of this matter."*

Both Ulster and Mr and Mrs M responded to my provisional decision.

Ulster said that it accepted my provisional decision. Mr and Mrs M in summary said that they find it inconceivable that the UFirst Private account can't be reinstated, or compensation cannot be paid for as long as the UFirst Private account remains as an account to existing account holders.

Mr and Mrs M say that the redress should continue to be paid on an annual basis, for as long as the account exists and for as long as they're able to provide proof that they have purchased airport lounge passes each year. Mr and Mrs M also say they believe the airport lounge passes cost £339 per year, and not £268 per year as I said in the provisional 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 reconsidered everything, I still think that what I said Ulster should do to put matters right is reasonable in the circumstances.

Mr and Mrs M say they find it inconceivable that the UFirst Private account can't be reinstated. However, whilst I do understand why they're saying this, Ulster has confirmed that it's not able to reinstate that account. As such, I can't instruct Ulster to do something that it has already told our service it is unable to do. Which is why I've then gone on to consider how else it can put matters right.

In my provisional decision, I said that the redress Ulster should pay Mr and Mrs M should cover a period of two years from when their account was downgraded. Mr and Mrs M say that it should continue for as long as the account exists and they're able to prove they're buying airport lounge passes. But I think awarding the redress to cover a period of two years is reasonable, as it covers them from when their account was downgraded up until May 2023. But as there are too many variables that could occur beyond that date (for example if Ulster change or remove the airport lounge access benefit on the existing UFirst Private account), I don't think it is reasonable or practical to extend the redress out beyond that date. Instead, I am satisfied that a lump sum that Mr and Mrs M can use as they see fit is reasonable in the circumstances.

Finally, Mr and Mrs M say that unlimited annual passes cost £339 per person, per year. I'm not sure where they have obtained this figure from – perhaps the provider they currently use to buy airport lounge passes from. I said that the redress should be based on a figure of £268 per person, per year, as that is the cost quoted for one years' worth of unlimited airport lounge access on the website of the same lounge pass provider as the UFirst Private account. I think this is a reasonable approach to take, as it provides the best 'like-for-like' comparison with what Mr and Mrs M would've received had they continued with the UFirst Private account.

So having reconsidered everything, I still think that the redress I set out in my provisional decision is reasonable, although I appreciate that Mr and Mrs M may see things differently.

### **Putting things right**

I require Ulster to do the following, to put matters right:

- Pay Mr and Mrs M £1,072 (4 x £268 – representing 2 years of unlimited airport lounge access for Mr and Mrs M from the UFirst Private product provider, to replicate the airport lounge benefit they received under the UFirst Private account);
- Less the extra amount Mr and Mrs M would've paid for the UFirst Private package, for a two-year period, calculated from when the account was downgraded (i.e. the amount to be deducted should be based on the difference between the monthly cost of the UFirst Private account and what they did or will actually pay for their account, over a period of 24 months); and
- Pay Mr and Mrs M a further £50, for the distress and inconvenience they have experienced as a result of this matter.

### **My final decision**

Because of the reasons given above, I uphold this complaint and require Ulster Bank Ltd to do what I have set out above, to put matters right, in full and final settlement of 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 16 December 2022.

Thomas White  
**Ombudsman**