

The complaint

Mr G has complained that Bank of Scotland plc ("Halifax") mis-sold him a fee-paying Ultimate Reward Current Account ("URCA") in May 2010.

Mr G says that he was phoned by Halifax and was told about the benefits of the URCA. Mr G says that when he declined to change his account, Halifax told him that if he didn't change his account his existing fee-free account would be closed and that he would not be able to get a mortgage in the future.

Mr G says that he was suffering from poor mental health at the time and that he felt he had no choice but to accept what Halifax was saying and so agreed to upgrade his account to the fee-paying URCA.

What happened

In response to Mr G's complaint, Halifax said that Mr G had complained too late about the sale of his account.

Mr G referred his complaint to this service and one of our investigators thought that Mr G had complained within the relevant time limits. As such, Halifax agreed that our service could look into the merits of the case, but it didn't think that the URCA had been mis-sold.

One of our investigators assessed the complaint and she was unable to conclude that the URCA had been mis-sold based on all of the available evidence.

Mr G disagreed with the investigator's conclusions, and 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 bank accounts on our website and I've used that to help me decide this complaint.

I should also explain that where matters are in dispute and evidence is incomplete, as is the case here, I need to decide what I think most likely happened, based on everything that is available. And having weighed everything up, I don't think that the URCA was mis-sold. I will explain why.

I've started by considering whether Mr G was given a fair choice. Firstly, I note that prior to the sale of the URCA Mr G held a fee-free account and had done so since 2007. So as a starting point, given that Mr G had been operating a fee-free current account for nearly three years, it seems that in 2010 Mr G was aware that fee-free accounts were generally available.

However, Mr G says that he received a phone call and was (incorrectly) told that he had no choice but to change his account to an URCA. He says he was told that if he didn't do so, his existing account would be closed and that he'd then not be able to obtain mortgage in the future.

Having looked through the evidence that is available, it is the case that Mr G's recollection of events don't match the evidence that I have seen. I say this because firstly, apart from Mr G's testimony, there is no other evidence that shows the sale of his account took place over the phone. There is evidence of some phone calls in Halifax's customer contact notes, but these are well after the sale of the URCA had taken place. The evidence that Halifax has been able to provide from its system records strongly indicates that Mr G applied for the URCA himself online, via Halifax's website.

I recognise that Mr G is adamant that the sale took place over the phone. However, the evidence that is available to me does not support that. Mr G has said that if the account was upgraded online, then that is evidence that Halifax upgraded the account. I am aware that previously, there have been instances where accounts were upgraded in branch on a computer, but for some reason the upgrade was recorded as being an online sale. But even if that is how the account upgrade took place, that would still make me question the accuracy of Mr G's recollections, given that he specifically recalls being sold the account in a telephone conversation. I'm mindful that recollections can change and fade over time and given that the sale in question took place around 14 years ago, I can't rule out the possibility that has happened here.

Furthermore, if it was the case that Mr G was genuinely coerced into taking out a bank account that he didn't want, but that he had to pay for a monthly fee for, I question why he didn't look around (at least in later years, given what he has said about his circumstances at the time) to see if fee-free accounts were available elsewhere - rather than keep the account in question for over 13 years.

So, when weighing up all of the evidence, I'm unable to conclude that Mr G was coerced into taking out the URCA. On the contrary, I think it's more likely that Mr G decided to upgrade his account because he was (at least initially) attracted to some of the benefits. As such, I'm unable to conclude that Mr G was deprived of making a fair choice when he upgraded his account to an URCA.

As the evidence suggests the account was most likely upgraded online, this means that the account was in all likelihood upgraded on a non-advised basis. This means that Halifax didn't have to check whether the account was right for Mr G's circumstances. But it was still required to provide Mr G with the important information about the account, so that he could make an informed decision about whether to upgrade or not.

Due to how long ago the sale took place, I don't know what exactly Mr G was provided with. But Halifax has provided evidence to show that Mr G was sent a welcome pack on 13 May 2010, and as the sale took place online, I think it's likely that Mr G would've seen a summary of the benefits and cost of the account before agreeing to it.

I accept it's possible that Mr G wasn't provided with all of the important information that he should've been provided with. But equally, it seems that Mr G was eligible to use the benefits and has been aware, from the outset, about the monthly cost of the account. I can also see that Mr G has been sent documentation about the account benefits over the years he held the account – including letters reminding him of the benefits and inviting him to get in contact if he didn't need them anymore. And despite all of that documentation, he chose to keep the account rather than downgrade it (or at least ask what other options were available). Therefore, I'm not persuaded that Mr G would've been put off from upgrading his account, even if he had been given even more information about it during the sale.

So taking everything into account, I'm unable to say, based on the evidence I have been provided with, that the URCA was likely to have been mis-sold. I appreciate that, perhaps

with the benefit of hindsight, Mr G may now regret agreeing to the account, especially if he has not made much use of the benefits. But that doesn't mean that it was mis-sold or that Halifax acted unfairly or unreasonably when the upgrade took place.

Because of this, I don't think it would be appropriate to ask Halifax to refund the monthly account fees that Mr G has paid for the account.

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 G to accept or reject my decision before 23 April 2024.

Thomas White
Ombudsman