

The complaint

Mr H has complained that Bank of Scotland plc ("Halifax") mis-sold him fee-paying Ultimate Reward Current Accounts ("URCA") in October 2010, March 2015 and August 2016.

Mr H has given a number of reasons why he says they were mis-sold, including that he was told as a member of staff he needed the account, and it would be discounted for him. Mr H says he was told that he could then sell the account to customers and make them aware he had the same account. Mr H says that he didn't need the account to begin with he wasn't given any choice in the matter.

What happened

Halifax said that this service is unable to consider Mr H's complaint about the sale of the URCA's in October 2010 and August 2016. But did agree that this service could consider Mr H's complaint about the sale of the URCA in March 2015 (although Halifax had initially incorrectly stated that the date of sale was in May 2015).

One of our investigators assessed the complaint and they agreed that Mr H had complained outside of the time limits that apply when using this service, in relation to the first and last URCA sale. But as Halifax had agreed to this service considering the complaint about the sale of the URCA in March 2015, they assessed the merits of that part of Mr H's complaint, but didn't find in his favour.

Unhappy with the outcome reached on the merits of his complaint, Mr H's complaint was referred for an ombudsman's decision.

As it has already been established that this service cannot consider the sale of the URCA in October 2010 and August 2016, this decision will only address the sale of the URCA in March 2015.

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 considered everything, I don't uphold this complaint. I will explain why.

Firstly, I note that Mr H says that he was told he needed the URCA as he was a member of staff. However, whether it was or wasn't a condition of his employment is an employee-employer matter - which is not something that this service is able to look into. As such, if Mr H feels that Halifax as an employer mistreated him, or that it unfairly or incorrectly said he needed to have a packaged account as a requirement of his employment - that is something he will need to take up directly with Halifax and is not something I can comment on here.

But this service is able to consider the other aspects of Mr H's complaint regarding the sale of his URCA, in his capacity as a customer of Halifax. So I have addressed the other issues raised, below.

Mr H has said that when the account was sold to him, he was told that he would get a discount on the monthly fee. Looking at the evidence that Halifax has provided, I can see that Mr H did pay a reduced fee to have the account. For example, at the time, the account usually cost £15 per month. But Mr H was only being charged £7.50 per month. So I can't say that Mr H was given misleading information, if he was told during the sale that he would get the account for a reduced fee.

Based on everything I have seen, I think that the account was in all likelihood upgraded on a non-advised basis. I say this because firstly, Mr H already knew about the account and the benefits it came with as he'd already held the account before. Plus, I've not seen any evidence that Halifax had assessed Mr H's insurance needs or made a personalised recommendation to him.

This means that Halifax didn't have to check whether the account was right for Mr H's circumstances. But it was still required to provide Mr H with all of the important information about the account and the associated benefits, so that he could make an informed decision about whether to upgrade or not.

Unfortunately, due to how long ago the sale took place, Halifax has only been able to provide limited information from when the URCA was sold to Mr H. So, I don't know what exactly was discussed with Mr H during the sale. Having said that, I think it's likely that Mr H was aware of at least some of the account features - given that he'd held the account before. And I doubt he would've agreed to upgrade to it (again) if he didn't have an appreciation of what it came with. Also, it's clear that Mr H was aware of the cost of the account, as he enquired with Halifax a few months after the sale to check that he was receiving the discount on the monthly account fee that he'd been told about during the sale - which it confirmed he was.

I accept it's possible that Mr H wasn't provided with all of the important information that he should've been provided with during the sale. But, it seems that Mr H was eligible to use the benefits and was aware, from the outset, about the monthly cost of the account. Therefore, I've not seen anything regarding Mr H's circumstances at the time that makes me think Mr H would've been put off from upgrading his account, had he been given even more information about the URCA 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 H may now regret agreeing to the account, especially if he didn't make much use of the benefits. But that in itself doesn't mean that the URCA 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 H paid for the account between when it was sold to him in March 2015 and when he later downgraded it back to a fee-free account in May 2016.

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 H to accept or reject my decision before 4 December 2024.

Thomas White
Ombudsman