



The complaint

Miss S is unhappy about paying for her HSBC UK Bank Plc account for several years. Miss S said she only recently became aware that the account she upgraded with HSBC in 2011 was mis-sold to her.

Miss S said she was told she had to take out the Advance Account to get a preferential interest rate on a savings account.

What happened

Miss S had a free bank account from the time she opened it with HSBC in 2004. She complained to HSBC about paying for the account she upgraded to in 2011. HSBC didn't uphold the complaint and said Miss S chose to upgrade her account. HSBC said Miss S could have gone back to the fee free account at any point if she wanted to. But it said the upgrade gave her access to preferential rates on savings and other products that Miss S wanted to and did use.

As Miss S remained unhappy, she brought her complaint to this service.

Our investigator didn't uphold the complaint. She said Miss S agreed to the packaged bank account knowing it was an optional product. Our investigator felt Miss S agreed knowing she could have stayed with her existing fee free account. She said Miss S went into the bank branch to open a savings account. She confirmed HSBC provided details to show that a preferential rate savings account was opened shortly after Miss S upgraded her bank account. Our investigator also noted HSBC had confirmed Miss S went on to get a preferential overdraft in 2014 again linked to the upgraded bank account. She said HSBC had acted fairly and reasonably.

Miss S didn't accept this and asked for her complaint to be passed to an ombudsman for a final 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.

Miss S accepted that she had a fee free account from 2004. But when she wanted to open a savings account in 2011, she was told she needed to upgrade the account to get the HSBC savings account. Miss S said she was told there was no alternative fee free account.

Miss S said she had been paying for her account since then until March 2024 and that it was mis-sold to her.

HSBC apologised that Miss S was unhappy but didn't accept it had done anything wrong. It said the bank account wasn't mis-sold. HSBC said when the account was upgraded Miss S was provided with a welcome pack and terms and conditions. It said these listed all the account benefits. It said this would have been non-advised and Miss S would have made the

decision about whether the benefits were useful to her. It confirmed the account came with a 14 day cooling off period too.

HSBC said when it rebranded the Advance Account in 2014 it wrote to all customers to let them know they could have the free version of the account or the account with the Insurance Aspects for a fee.

HSBC said aside from the welcome pack it issued an annual summary of charges letter each year from 2011. And since 2014 it also issued annual eligibility letters about Insurance Aspects too. It said this made the details clear to Miss S as it outlined account charges paid over the year. And highlighted the worldwide travel insurance, the motor breakdown cover, and the mobile phone insurance options from 2014. HSBC confirmed that all customers were given the option to opt out if this didn't meet their requirements.

In 2014 HSBC also required any Advance Account customer to pay in £1,750 monthly to their account to get the preferential rates on other products and services.

HSBC mentioned Miss S spoke to it six or seven years ago to discuss the account and said it was her choice to retain it after the discussion. It said she had been free all along to cancel it. HSBC said Miss S did move back to the fee free account in March 2024.

I don't think HSBC has acted unfairly or unreasonably here regarding any account sale.

It's clear that Miss S had a fee free bank account. The discussion around what was the right account for her was then considered when she was looking for a savings account. HSBC has produced details to show that by upgrading her bank account Miss S was able to get the savings account she was looking for at a preferential rate. Miss S was also clearly aware of fee free accounts as that was what she had up until this point.

So, it appears Miss S did upgrade so she could have the preferential savings account. I don't see any evidence to suggest otherwise. The new account documentation clearly uses the phrase "*preferential rates and terms*", so this highlights that other bank accounts and savings accounts were also available.

The details of the accounts show the preferential rates and all the optional benefits. There's nothing to suggest Miss S wasn't aware of this as she did take up the better rate on the savings account.

HSBC further said Miss S did also get a preferential rate on an overdraft later in 2014. And it said Miss S used the travel facility meaning fees weren't charged for overseas cash machine usage.

There's no dispute raised about the annual summary of charges or the annual eligibility statements being sent or received. This indicates Miss S was receiving these and aware of the products she was using and any charges that applied.

I think HSBC acted reasonably and fairly.

My final decision

I don't uphold this complaint.

I make no award against HSBC UK Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept

or reject my decision before 20 December 2024.

John Quinlan
Ombudsman