

The complaint

Mr and Mrs T have complained that Bank of Scotland plc ("BoS") mis-sold them a fee-paying Ultimate Reward Current Account ("URCA") in November 2009.

Mr and Mrs T have given a number of reasons why they say the account was mis-sold. These include that Mr T says he was led to believe he needed an URCA to have or keep an overdraft. Mr T says he doesn't recall being offered an alternative fee-free account and the fees and benefits weren't fully explained to him. Mr T says he wouldn't have agreed to the account had the fees and benefits been fully explained.

Account history

- Mr T opened a sole fee-free Current Account - January 2008
- Upgraded to a fee-paying URCA - November 2009
- Mrs T added as a joint account holder - August 2015

What happened

BoS issued its final response to the complaint and said that Mr and Mrs T have complained outside of the time limits set by the regulator.

After Mr and Mrs T referred their complaint to this service, one of our investigators assessed the complaint and they concluded that Mr and Mrs T had complained within the relevant time limits. So they said that this service is able to consider Mr and Mrs T's complaint.

The Investigator then went on to assess the merits of the complaint, but they didn't uphold the complaint.

As Mr and Mrs T didn't accept the investigator's conclusions, the complaint 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 accounts on our website and I've used that to help me decide this complaint.

Mr T has said that as BoS doesn't have all of the point-of-sale documentation on file anymore, this means that we should find in his favour based on his recollections of the sale. But I think it may help to 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 all of the evidence that *is* available. And having done so, I'm unable to uphold this complaint. I will explain why.

Firstly, I have considered whether Mr T was given a fair choice when the account was sold to him. Mr T says that BoS failed to make it clear that fee-free accounts were available to him. However, based on the evidence that BoS has provided, Mr T's account was a fee-free account before it was upgraded to an URCA. So overall, I'm satisfied that Mr T was aware fee-free accounts were generally available to him in November 2009, and that he didn't have to have a fee-paying account, if he didn't want one.

Mr T says he thought the URCA was required or strongly recommended to have or keep an overdraft. To help me decide this complaint, BoS has provided a history of Mr T's overdraft limit. From the evidence provided, I can see that Mr T first had a £100 overdraft limit in June 2009 i.e. before Mr T applied for the URCA. The overdraft limit then remained at £100 until 18 May 2010, when it was increased to £240. So based on the evidence I have been provided with, I can't reasonably conclude that Mr T was led to believe he suddenly needed an URCA for an overdraft, when he already had an overdraft limit in place on his account, and the limit didn't change around the time he upgraded either.

When the URCA was sold to Mr T, it cost £12.50 a month. One of the benefits it provided at the time was a charge-free overdraft facility of up to £300. So, this would've covered the entire amount of Mr T's arranged overdraft limit, when the account was sold to him.

However, around the time the URCA was sold to Mr T, I understand that BoS changed how it charged its customers to use their overdraft. In summary, BoS went from charging interest, to charging a fixed amount of £1 for every day the account remained overdrawn (although this fixed daily fee could've been even higher, depending on how overdrawn the account became). This change in how BoS charged its customer to use their overdraft came into effect in December 2009 – so only a short time after Mr T had upgraded his account to an URCA.

The overdraft benefit that came with the URCA meant that, in return for paying the monthly URCA fee, Mr T wouldn't have to pay the £1 daily overdraft usage fee that would've applied to his account, had it remained as a fee-free account - providing he remained within his £100 limit. So essentially, as the URCA cost Mr T £12.50 per month, it'd work out cheaper for Mr T to have the URCA if his account was overdrawn for 13 days or more each month, then if he had kept his account as a fee-free account and paid the £1 daily overdraft usage fee instead. And looking at Mr T's statements from the time, it does seem that Mr T's account regularly went overdrawn, and remained overdrawn for a number of days, each month.

So overall, I think it's more likely that Mr T agreed to the account because he was told about, and attracted to, the overdraft benefits it came with, rather than because he was led to believe it was the only option available to him.

Bos has said that the account was sold on a non-advised basis. Whereas Mr T believes that the account was recommended to him. I've not seen sufficient evidence that suggests the account was sold on an advised basis. But even if I thought it was, I still don't think this would mean the account was mis-sold.

I say this because, if the account was sold on an advised basis, this means that BoS would've been required to check that the account was reasonably appropriate for Mr T's circumstances at the time. Mr T had a mobile phone at the time (and registered a handset shortly after he upgraded his account). Mr T also says he occasionally travelled, so he would've been able to benefit from the travel insurance. And clearly, Mr T was able to make regular use of the overdraft benefit as well. So given that Mr T was able to use some of the benefits included with the account, I can't reasonably say that such a recommendation was inappropriate in the circumstances.

As well as making sure the account was a reasonable fit for Mr T's circumstances, BoS was also required to make Mr T aware of the important information about the account. This was so he could make an informed decision about whether to upgrade and to understand what benefits it came with and how to use them.

Due to the lack of evidence available from 2009, I can't be sure if BoS did this. But, at the same time, the evidence suggests that Mr T had a decent appreciation of the benefits included with his account and how to use them. For example, he registered a number of mobile phones under the URCA mobile phone insurance and made some claims on this insurance whilst he held the account. In more recent years Mr T also made 4 breakdown claims as well. And, given that Mr T says he was recommended the account for the overdraft, then I think it's likely that Mr T was made aware of the overdraft features as well.

I accept it's possible that Mr T might not have been given all of the important information during the sale. But, overall, I've not seen anything specific about Mr T's circumstances at the time that makes me think he would've been put off from agreeing to the URCA, had he been given even more information about it. I appreciate that Mr T might not have had much of a need for some of the other benefits included with the account. For example, he says he already had breakdown cover at the time. But as it was sold as a package, Mr T was unable to pick and choose what it came with.

So taking everything into account, I'm unable to say, albeit on balance, that the URCA was mis-sold.

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 T and Mrs T to accept or reject my decision before 14 January 2026.

Thomas White
Ombudsman