

complaint

Mr and Mrs M have complained that HSBC Bank Plc ("HSBC") mis-sold them a Plus (later known as Advance) packaged bank account in 2006. They paid a monthly fee for the account which provided some benefits in return.

Mr and Mrs M have used a claims management company (CMC) to bring this complaint.

background

One of our adjudicators has looked into Mr and Mrs M's complaint and didn't think that HSBC mis-sold the packaged account to them. The CMC didn't accept this and asked for an ombudsman to look at the complaint and make a final decision.

my findings

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 how we handle complaints about packaged bank accounts on our website. And I've used this approach to help me decide Mr and Mrs M's complaint. I agree with our adjudicator that HSBC didn't mis-sell the packaged account to Mr and Mrs M. And so it doesn't owe them any compensation. I'd like to explain why.

When the CMC disagreed with our adjudicator and asked for an ombudsman to look into the complaint, it gave its main reasons as Mr and Mrs M weren't provided with clear fair and not misleading information. And they didn't need the benefits included on the account either.

I've carefully thought about this and everything else I've seen on this complaint. But I don't think that HSBC mis-sold the packaged account to Mr and Mrs M because:

- Mr and Mrs M upgraded to the Plus account from a fee free account that they'd held for a period of time. And, on the face of things, I haven't seen anything persuasive to suggest Mr and Mrs M were told that they couldn't keep the account they had if that's what they really wanted to do. So I think that Mr and Mrs M would've most likely been aware that they didn't have to pay a fee to have an account with HSBC. Having thought about everything, I think that HSBC gave Mr and Mrs M a fair choice on upgrading. And I think that they chose to upgrade as they most likely found the overall package of benefits included on the account attractive.
- From what I've seen, I don't think that HSBC recommended the insurance policies on the packaged account to Mr and Mrs M. And so it didn't have to check whether they were suitable for them. It was up to Mr and Mrs M to decide whether the account was right for them taking into account their circumstances and any other cover they may have already had. But HSBC did have to give them clear enough information to do this. I think it's likely that Mr and Mrs M would've been told about most, if not all, of the benefits on the account in order to make it appear as attractive as possible. After all HSBC was trying to persuade them to upgrade from their fee free account. And the best way to have done this would've been by telling them about what they'd be getting for the monthly fee. But it's possible the information didn't explain everything about all of the significant features and exclusions on *all* the benefits.

- I think that Mr and Mrs M were able to use some of the benefits. For example, the account included an interest rebate on HSBC credit cards. And I understand that both Mr and Mrs M had HSBC credit cards that benefitted from this. I also think that Mr and Mrs M could've used the travel insurance included. Having looked at their circumstances – they were under the age limit for the policy and they've told us they travelled – I've seen no obvious reason why they couldn't have claimed on it if they needed to. And as the travel insurance was the main insurance benefit on the account at the time of the upgrade, I think it's likely to have formed a large part of the discussion. I know that Mr and Mrs M have said they bought alternative travel cover. I don't know if they did, as I've not been provided with anything to support this. But as I think it's likely that Mr and Mrs M were told travel insurance was included on the account, I can't hold HSBC responsible if they chose not to rely on this and buy or keep alternative cover instead. I've also seen what Mr and Mrs M have said about having breakdown cover and mobile phone insurance already. But mobile phone insurance was never included on the account and breakdown cover was added a couple of years after the upgrade. And I think it's likely that HSBC would've written to Mr and Mrs M when breakdown cover was added to the package. At this point it was up to them to cancel any cover they may have already had elsewhere, or instead downgrade their account if they thought that it now included benefits which no longer made paying the monthly fee worthwhile.

I'd like to reassure Mr and Mrs M that I've looked at all the information they and their representative have provided about this complaint. And having done so, I don't think that HSBC mis-sold the packaged account to them. So I don't think it owes them any money.

my final decision

For the reasons I've explained, I don't uphold Mr and Mrs M's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs M to accept or reject my decision before 2 November 2015.

Jeshen Narayanan
ombudsman