

complaint

Ms R has complained that she was mis-sold a packaged bank account by Ulster Bank Ltd ("Ulster").

background

Ms R opened a fee-free account with Ulster in October 1995. She upgraded this to a U First account in September 2001. This was migrated to the U First Gold account in September 2014.

Ms R says that she wanted an account with a chequebook, debit card and overdraft and was told that the U First account was the only option offered to her at the time. She also says that she was told that all free accounts were being phased out. Ms R also says that she didn't need some of the benefits of the account.

Our adjudicator did not uphold this complaint. Ms R disagrees with this so the case has come to me to 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. Where there is limited evidence from the time of sale – as is the case here – I need to decide what I think is most likely to have happened.

I've decided not to uphold Ms R's complaint for the reasons set out below.

Ms R upgraded from a free account to the U First account so I think she was aware that free accounts were available. Ms R says that she was told all free accounts were being phased out. But I can see that Ms R had other free accounts at the time she upgraded and afterwards. When she upgraded, Ms R also had an account ending in 186 which was opened in November 1983 (and converted to a joint account in 2010) and an account ending in 066 which was opened in November 1992. Both of these were opened as free accounts, were still free accounts at the time Ms R upgraded and continue to be free accounts now. Ms R also opened another account ending 525 in June 2008. Ms R has said that one of these accounts was a savings account and one was a business account. But Ulster has confirmed that these were all current accounts. Ms R has also said that her mother was with her at the time when she was told free accounts were being withdrawn but her mother declined to upgrade her account. So I think Ms R knew that she had an option to continue with her free account.

Ms R says that she was told she had to upgrade to get a chequebook, debit card and overdraft as these weren't offered with the free accounts. Ulster has said that these were available with its free accounts. I note that one of the benefits of the U First account when Ms R upgraded was an interest free overdraft of £250. Ms R took out an overdraft facility of £250 at the same time as she upgraded. So I think this is likely to have been what attracted Ms R to the U First account and why she agreed to pay a fee for it, although she may have forgotten about this later, which is understandable due to the passage of time. So I think Ms R is most likely to have been given a fair choice whether to upgrade the account.

Having considered the evidence, I don't think Ulster assessed Ms R's circumstances in any detail or gave her a personalised recommendation to take the U First account. So it seems to me that the sale was conducted on a non-advised basis. This means Ulster didn't have to assess the suitability of the account for Ms R. But it still had to provide clear enough information about the account so that Ms R could decide for herself whether she wanted it.

Packaged bank accounts are rarely tailored to the individual so it's unlikely that every customer will find every benefit useful. It was for Ms R to decide whether the benefits, as a package, were attractive to her for the cost. I think it is likely that Ms R was made aware of the main benefits of the account when she took it out and that some of them were of interest to her at the time – particularly the interest free overdraft. Ms R would also have saved money on normal transaction and quarterly maintenance fees charged to customers with free accounts, which she didn't have to pay because she had a U First account. The fact that Ms R may not have used all of the benefits doesn't mean the account was mis-sold. And I've seen nothing to suggest she couldn't potentially have benefited from the account as a whole.

Ms R has said that she had duplicate mobile phone insurance, car breakdown cover and travel insurance. However, these weren't benefits of the U First account at the time Ms R upgraded. So I don't think this would have affected her decision whether to take out the account at the time of sale.

I accept it's possible that Ulster didn't give Ms R all of the information about the account that it should have. But I don't think there is anything about the account which she wasn't told which would have put her off taking it if she'd known about it. And I don't think Ms R has lost out because of anything Ulster might have done wrong.

my final decision

For the reasons given above, I do not uphold the complaint or make any award against Ulster Bank Ltd.

Under the rules of the Financial Ombudsman Service, I am required to ask Ms R to accept or reject my decision before 5 November 2015.

Rachel Ellis
ombudsman