

complaint

Ms W has complained that Bank of Scotland plc (trading as Halifax) mis-sold an Ultimate Reward Current Account (URCA) to her in 2011. She paid a monthly fee for the account which offered several benefits in return.

background

One of our adjudicators looked into Ms W's complaint. They didn't think that Halifax mis-sold the packaged account to her. Ms W didn't accept this and asked for an ombudsman to look at her complaint afresh 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 have explained how we handle complaints about packaged bank accounts on our website. I have used this approach to help me decide what to do about Ms W's complaint.

Having thought carefully about all the points that have been made and the rest of the evidence, I don't think Halifax mis-sold the packaged bank account to Ms W. So it doesn't need to compensate her. Let me explain why.

I understand there is some dispute about how the account was upgraded. But I think the key issue here is what Ms W says she was told at the time. Ms W says she was told she had to take the URCA to get an overdraft. I don't know everything that was said at the meeting. So I have thought about what Ms W has said in the overall context of everything I've been told. I do know Ms W had held a free account with Halifax for several years before she upgraded. And this free account had previously had an overdraft attached to it. Taking everything into account, I think it's most likely Ms W knew she didn't need to pay for an account to have an overdraft. Whilst Halifax may not have discussed the free account alongside the URCA, in already having her free account, I think Ms W would've understood that there were key differences between the accounts for her to compare these. So overall, I think that Halifax gave Ms W a fair choice. And given that I think she upgraded after having been offered a fair choice, I also think that she did this because she most likely found something on the account attractive.

I've not seen any persuasive evidence to suggest that Halifax recommended the packaged account to Ms W. This means it didn't have to check if the account was suitable for her. It was up to Ms W to decide if the packaged bank account was right for her, taking into account her situation at the time.

Halifax did have to give Ms W enough clear information about the packaged account for her to decide if she wanted it. And that's what I have considered here. Ms W has said that some features of the account duplicated the cover she already had and she doesn't recall getting any terms and conditions. But I think it's most likely Halifax made Ms W aware of the main features and benefits of the account because those would have made it more attractive to her. So I think she would have known enough about the account to know what benefits she already had.

I have listened to what Ms W has had to say about the travel insurance not being useful to her because of her medical condition. I accept Ms W might not have used *all* the benefits on the account or found them appealing. But I don't think this means that Halifax mis-sold the account. Packaged accounts are rarely tailored to the individual so it's unlikely that every consumer will need or find every benefit useful.

In any event, I think it was the banking benefits that attracted Ms W to the URCA. If Ms W went overdrawn on her free account without an overdraft facility, she had to pay £5 a day – whereas an agreed overdraft of up to £300 was fee free. Having looked through the account statements, I can see that Ms W went overdrawn without an overdraft facility on some occasions before she upgraded and used a £300 overdraft after she upgraded. So while I have thought about everything Ms W has said I think the account would've appealed to her for the savings she could make.

It's possible that Halifax didn't tell Ms W everything it should have about the packaged account. But I haven't seen anything to convince me that Ms W would not still have taken the account even if Halifax had told her everything.

I'd like to reassure Ms W that I've looked at everything she's sent me. I also appreciate that looking back she might now feel the URCA hasn't been good value for money. But overall, I haven't seen enough to suggest Halifax did anything wrong when it sold the account. So it doesn't need to compensate Ms W.

my final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 25 January 2016.

Sarita Taylor
ombudsman