complaint

Mr B complains that HSBC Bank Plc mis-sold him a Plus packaged bank account in 2009. It later became an Advance account. He is represented in this matter by a claims management company (CMC).

background

Mr B had held a free current account with HSBC for a number of years before he upgraded to the Plus account in 2009. Earlier this year – through his CMC – Mr B complained to HSBC about the sale. As it didn't agree it had mis-sold the Plus account Mr B brought his complaint to this Service.

One of our adjudicators has already looked into the matter. He didn't think HSBC had mis-sold the account. As Mr B doesn't agree with that assessment he has asked – as he's perfectly entitled to – for his complaint to be considered afresh by an ombudsman.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I agree with our adjudicator and I don't uphold this complaint.

Mr B says he wasn't given a fair choice about upgrading his account. He says he was told that if he wanted to keep his overdraft he would have to take this type of account. He also complains that he wasn't told about the features of the account and that it hasn't been good value for money because he hasn't used any of the benefits which came with it.

I don't doubt that Mr B has provided his honest recollections but I'm mindful that memories can and do fade over time. And where the evidence is unclear or there are conflicts between what the parties tell us, I make my decision based on the balance of probabilities. In other words I look at what evidence we do have and the surrounding circumstances to help me decide what is more likely to have happened.

This upgrade happened a few years ago so I don't find it surprising when Mr B says he doesn't recall when it occurred. And it seems Mr B is mistaken when he says that it was during a meeting. This is because HSBC's records show it took place over the phone – which I find more likely and which Mr B now accepts. All of this leads me to conclude that Mr B's recollection is not as clear as once it may have been.

I understand from Mr B that his overdraft was important to him. He says he was told he had to upgrade to keep his overdraft. But he was given an incentive fee of half price for six months. And I'm not persuaded that if Mr B's recollection about not being given a choice by the advisor is correct he would've received a discounted fee. He had previously had a free account for a number of years so was aware that they were available and he'd had an overdraft facility on that free account. So in those circumstances it doesn't seem likely that the advisor would have suggested that Mr B's overdraft would be removed if he didn't upgrade.

I think it's more likely that Mr B chose to upgrade his account because there were things about the Plus account which he thought would be useful. He didn't have to think that everything would be of value for him to find the package as a whole attractive.

I don't know what drew Mr B to the Plus account. It offered a number of benefits which he may have found attractive. For example, as his overdraft was important to him, he may have thought that the discounted interest rate would be helpful. Although our adjudicator wasn't sure whether Mr B had savings with HSBC, I've confirmed that he did. And HSBC tells us he received a better rate of interest on those because he had the Plus account. He tells us he travelled abroad up to twice a year so the worldwide travel insurance and fee-free overseas cash withdrawals may been something he was interested in.

I'm not persuaded that HSBC failed to offer Mr B a fair choice. I think it's more likely it told him what the benefits of the account were – after all it was selling an account and wanted to make it seem attractive. And I think Mr B chose to upgrade because – for the cost – he thought it was worthwhile.

HSBC says that it wouldn't have provided Mr B with a recommendation about the account. His representative says that it's implausible that HSBC simply waited for people to make enquiries about packaged accounts, unprompted by HSBC staff. But the fact that HSBC may have raised the possibility of Mr B taking the Plus account doesn't necessarily mean that it also recommended it to him.

And the CMC says that even a suggestion to the effect that "*this is the account for your, sir*" could constitute a recommendation to a long-established customer such as Mr B. But Mr B doesn't say that is what happened. On his questionnaire Mr B has ticked that the account was recommended but says that he was told that he had to take the account to keep his overdraft.

From what I've seen it doesn't sound as though there was any sort of examination of Mr B's circumstances such as would have informed a recommendation or that there was any sort of assessment of the suitability of the benefits for Mr B. So I'm not persuaded HSBC failed to follow its usual process on this point.

But even though I don't think HSBC made a recommendation to Mr B – and so didn't have to ensure that the account was suitable for him – it still had to give him enough clear information so he could make an informed decision.

I mention above that I think HSBC would've told Mr B about the headline benefits of the account. But I accept it may not have given him all the details behind those benefits which it should have. However, I don't think that better information about any of the benefits would've led to Mr B making a different decision. This is because – having concluded that he chose to upgrade – there doesn't seem to be anything about his circumstances or any of the benefits, he may have been interested in, which meant that he couldn't have relied on them.

He was able to benefit from preferential interest rates on his overdraft and savings. And it seems that Mr B was able to rely on the travel insurance – he doesn't tell us he had duplicate cover (unlike the car breakdown cover). I can see that he also made some overseas cash withdraws and as he had the Plus account he didn't have to pay a fee.

I accept that Mr B may not have needed car breakdown cover as his insurance provided that. But, as I say above, a customer doesn't have to find everything about a packaged account to be useful.

Mr B's representative makes a point about how much Mr B saved though preferential rates and Mr B thinks the account wasn't good value. I accept that he may not have saved in preferential interest rates what he spent in account fees. But that is with hindsight and doesn't mean the account was mis-sold. And of course there were other benefits such as the ones I mention above and life cover and identity theft protection which the account provided. So whilst I accept that Mr B hasn't – fortunately – had to make any claims on any of the insurance benefits the purpose of having insurance is to provide piece of mind that a potential risk would be covered.

I'm sorry that this won't be the outcome Mr B was hoping for. But having considered everything I'm not persuaded to uphold his complaint.

my final decision

For the reasons outlined above, I don't uphold Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 5 February 2016.

EJ Forbes
ombudsman