

complaint

Mrs C has complained that Bank of Scotland plc (trading as Halifax) mis-sold a Ultimate Reward Current Accounts (URCA) to her. She pays a monthly fee for the account which offers several benefits in return.

background

Halifax records show that Mrs C opened a fee free account with Halifax in January 2011. And that the account was upgraded to an URCA in August 2011.

One of our adjudicators has looked into Mrs C's complaint already. The adjudicator didn't think that Halifax mis-sold the packaged account to her. Mrs C 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 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 Mrs C's complaint.

Having thought carefully about all the points that have been made and everything else I have, I don't think Halifax mis-sold the URCA to Mrs C. So it doesn't need to refund the account fees. Let me explain why.

Mrs C upgraded to the URCA from a fee free account. So I think Mrs C would've known she didn't have to pay to have an account if she didn't want to. But Mrs C says she was pressured into taking the URCA for an overdraft. Halifax says Mrs C had an overdraft on her fee free account. Where there is a dispute about what happened (as there is here) I have to think about what Mrs C has said, in the overall context of everything I've been told and what documentation remains to decide what I think *most likely* happened.

I've looked carefully at Halifax's records including Mrs C's bank statements. And it's not clear to me if Mrs C had an overdraft or not on her fee free account. I say this because - on the statement issued before the upgrade, I can see Mrs C was charged a fee for an 'unplanned overdraft'. This suggests an overdraft was not in place - or that she exceeded an overdraft limit. But, in any event, I don't think this makes a difference to the outcome of this complaint. In my experience, overdrafts are provided based on a consumer's financial situation rather than the type of account they hold. And one of the benefits on the URCA was that it offered a fee free overdraft of up to £300. This meant if Mrs C used the overdraft on a fee free account and remained within the £300 threshold, she'd incur a £1 daily fee. Whereas on the URCA the same use was free. So I think it's most likely she was told that if she used the overdraft - and I can see from her statements that she did, the cost of using the overdraft on the URCA would've been cheaper than if she'd kept the fee free account. So while I think it's probable that Halifax brought the URCA to Mrs C's attention, I don't think I've seen enough to say she was pressured to take it. I think it's most likely that Mrs C agreed upgrade because she was attracted to the savings she could make on her overdraft.

I've not seen enough persuasive evidence to suggest that Halifax recommended the URCA to Mrs C. This means it didn't have to check if the account was suitable for her. But Halifax did have to give Mrs C enough clear information about the URCA for her to decide if she wanted it. And that's what I have considered here.

I think it's most likely there was a discussion about the main features and benefits of the URCA because they make it more attractive. And I think that Mrs C was attracted to some of the benefits of the URCA and chose it because of those benefits. As mentioned above holding an URCA meant that Mrs C wouldn't have to pay any overdraft fees as long as she stayed within the overdraft limit. And I can also see that Mrs C registered her handset for mobile phone insurance. Whilst I understand Mrs C may not have made any claims, the registration of the phone suggests she was relying on the insurance in the event that she needed to.

Halifax has said that Mrs C also enquired about the travel insurance. Mrs C says she didn't as she doesn't have a passport. Halifax has since provided some information that suggests that travel insurance was discussed at the same time as the mobile phone was registered. But even if Mrs C wasn't interested in travel insurance – or some of the other benefits the account offered, this doesn't mean the URCA was mis-sold. Packaged bank accounts are rarely tailored to the individual consumer. So I wouldn't expect a consumer to need or want every benefit.

It's possible that Halifax didn't tell Mrs C everything it should have about the URCA. But I haven't seen anything to convince me that Mrs C wouldn't still have taken the account even if Halifax had told her everything.

I can see that there has been some confusion about whether or not Mrs C held a second URCA. Mrs C says her second account was a normal current account. Halifax has since confirmed that this was a system error and it has told us it has now updated its records. As neither party has suggested that Mrs C was charged a fee for the second account, I don't think this has any bearing on the complaint about the mis-sale of the URCA that Mrs C does have.

I want to reassure Mrs C that I have looked at all the information I have about her complaint – including what she's said about the delay in receiving Halifax's response to her complaint. But having done so, I don't think Halifax mis-sold the URCA to her. And so it doesn't need to refund the fees.

my final decision

For the reasons I've explained, I don't uphold Mrs C's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mrs C to accept or reject my decision before 14 March 2016.

Sandra Greene
ombudsman