

complaint

Mr B has complained that Bank of Scotland plc (trading as "Halifax") mis-sold an Ultimate Reward Current Account ("URCA") packaged bank account to him in 2008.

background

One of our adjudicators has looked into Mr B's complaint already and she didn't think that Halifax mis-sold the packaged account to him. Mr B 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 what to do about Mr B's complaint.

Having carefully thought about everything provided, I don't think that Halifax mis-sold the packaged account to Mr B. And so it doesn't owe him any compensation. I'd like to explain why.

I've firstly thought about whether Mr B was given a clear choice in taking this account. At this point, it may also help for me to explain that I have to make my decision based on what I think is most likely to have happened. When the parties to a complaint disagree about what happened (such as here) and there's a lack of evidence from the time, I have to think about what I have been provided with, what I do know and the wider circumstances at the time. In other words, what I have to do, in this case, is decide what I think is likely to have happened having weighed up what both Mr B and Halifax have been able to provide me with.

It looks like Mr B's account was opened as a fee paying URCA. But it's common knowledge that fee free accounts are widely available in the United Kingdom ("UK"). And I understand Mr B had one with another bank previously. So I think that he would've known he could've had a free account if he wanted to. Mr B has said the packaged was pushed because of the overdraft and he wasn't really offered a fee free alternative. The URCA may've been marketed as being the only account that offered an interest free overdraft. But as this was the case, Mr B wouldn't have been misled if the information he saw said this. So having thought about everything, I think it's most likely that Mr B chose to take the URCA after having been given a clear choice as he was most likely interested in the benefits it included.

As the account was taken online and without the involvement of anyone from Halifax, I don't think that it was recommended to Mr B. So Halifax didn't have to check if it was right for him and it was up to Mr B to do this. But Halifax did have to give him clear enough information to do so. I do think it's likely that Mr B was provided with some information on the main benefits included on the account *before* he agreed to it. After all Halifax was trying to get him to pay for an account when he in all likelihood knew he didn't have to. And explaining what he'd get for the fee was probably the best way to do this. But it's possible that this information didn't explain everything about all of the significant features and exclusions on *all* of the benefits.

At the time the URCA was sold, some of the main benefits it included were mobile phone insurance, breakdown cover, travel insurance and preferential overdraft terms. Mr B registered a handset for the mobile phone insurance. So I think it's fair to say that Mr B had

a need for this cover and he found having it useful. Mr B also drove and owned a car. So I've seen no obvious reason why he couldn't have used the breakdown cover. It looks also looks like Mr B travelled. I appreciate that he went on to be diagnosed with a condition that wouldn't have been covered. But it looks like this happened a couple of years after he already took the account. So I can't say Mr B wouldn't have taken the account if he'd seen clearer information about existing conditions needing to be declared to the insurer for cover.

I've seen what Mr B has said about already having mobile phone insurance, breakdown cover and travel insurance elsewhere. But Mr B's registration of a handset for the mobile phone insurance suggests he was relying on the cover included with the account. And, in any event, I think that Mr B would've seen that the account came with mobile phone insurance, breakdown cover and travel insurance. And I can't hold Halifax responsible if he chose to buy cover elsewhere instead of relying on what the account included. So I can't say that the account was mis-sold because Mr B may have decided to buy cover elsewhere.

Overall everything I've seen suggests that Mr B did use some of the benefits of the URCA and he was eligible for and could've used some of the others too. As this is the case, I think it's most likely that he received enough information for him to know what it was he was agreeing to.

Mr B may now, with the benefit of hindsight, think that he shouldn't have taken this account. And given what he might've read or heard about packaged accounts, I can understand why this might now lead him to believe his account might've been mis-sold. But I think it's likely that Mr B chose the URCA knowing what it included. And while he may now believe that the account hasn't proved value for money, I don't think that this means it was mis-sold.

I want to reassure Mr B that I've looked at all the information provided about his complaint. And I've thought about everything he's said. Having done so, I don't think Halifax mis-sold the packaged account to him. So I don't think that it owes him any money.

my final decision

For the reasons I've explained, I don't uphold Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr B to accept or reject my decision before 28 December 2016.

Jeshen Narayanan
ombudsman