

complaint

Mr B complained that Bank of Scotland Plc, trading as Halifax ('Halifax') mis-sold him a packaged bank account.

background

In 2010, Mr B upgraded his fee free account to a fee paying Ultimate Reward Current Account ('URCA'). The URCA offered a number of benefits for a monthly fee. In August 2014, Mr B downgraded his URCA to a fee free account and in September 2014, he upgraded it again to an URCA.

When Mr B complained to Halifax it agreed to refund the account fees he'd paid for the second upgrade - from September 2014 to October 2015. Mr B was unhappy that Halifax hadn't refunded him all the account fees he'd paid. He told us that he didn't need or want any of the insurance benefits which came with the URCA. And he said that he wasn't well when he took it and Halifax shouldn't have upgraded him. Mr B also said that he didn't understand why Halifax had charged him a fee during the periods when he hadn't used his overdraft. So, my decision deals only with the sale of the URCA, in 2010.

Our adjudicator who looked at Mr B's complaint thought that it shouldn't be upheld. Mr B disagreed so his complaint has come to me for review and 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 and I've taken this into account in deciding Mr B's complaint.

Having looked carefully at all the information I've been given, I've decided not to uphold Mr B's complaint and I explain why below.

I think that Mr B was given a fair choice about taking the URCA and he agreed to it because he was attracted to at least one of the benefits which came with it. I say this because Mr B held a fee free account before he upgraded so he was aware that he didn't have to pay for an account. He also told us that he was asked by a member of staff in the branch if he was interested in taking the URCA. And following a conversation about the various benefits which came with the account, I think that Mr B agreed to take it because he was attracted to the overdraft benefit which came with the account.

From what I've seen, I don't think that Halifax advised Mr B to upgrade to the URCA. I think it's more likely that he was told about the cost and benefits of the account and asked if he wanted it. That means that Halifax had to give Mr B clear, fair and not misleading information about the URCA so that he could make an informed decision about whether or not he wanted it.

From what I've seen, I think that Mr B was told about the cost and main benefits which came with the account. From what Mr B has told us, it looks like he told Halifax that the insurance benefits weren't of any interest to him. It also looks like there was a discussion about the overdraft benefit and how that worked. Mr B now appears to be confused about the cost of the account and why he is being charged a monthly account fee, even when he isn't using his overdraft. But at the time he upgraded, I think it's likely that Halifax told Mr B about the cost of the account and how, if he used his overdraft for more than 13 days in a month, provided he stayed within the £300 fee free limit, he could benefit by having the URCA. This is because if he didn't have the URCA he'd pay £1 a day to use his overdraft and in 2010 the URCA cost £12.50 a month.

The URCA provided a £300 fee free and interest free overdraft benefit. I can see that Mr B increased his overdraft facility to £300 at the time he upgraded in 2010. And although it doesn't look like he had been using his overdraft much before he upgraded, I can see from his statements that following the upgrade, Mr B started to regularly use his overdraft and mostly stayed within the £300 fee free limit. So, I think that Mr B was attracted to the URCA for the overdraft benefit that it offered.

I accept that Mr B may not have been interested in the other benefits which came with the URCA, such as the car breakdown cover, travel insurance, mobile phone insurance. But packaged bank accounts are rarely tailored to the individual, so it's unlikely that every customer will find every benefit useful. Customers may have been attracted to a packaged bank account even if they didn't intend to use every benefit. And it was for Mr B to decide whether the benefits, as a whole package, were attractive to him to want to upgrade.

Mr B said that he wasn't well at the time he upgraded. It's not clear which upgrade Mr B is talking about here. I'm only looking at the 2010 upgrade and it doesn't look like Mr B told Halifax that he wasn't well or said or did anything that would have made Halifax aware that he didn't feel able to make a decision about upgrading. So, I don't think that Halifax did anything wrong in upgrading Mr B to the URCA in 2010.

my final decision

For the reasons above, I'm not upholding this complaint against Bank of Scotland Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 12 November 2015.

Avril O'Meara
ombudsman