

complaint

Mr and Mrs H have complained that Bank of Scotland plc ("BOS") mis-sold an Ultimate Reward Current Account ("URCA") packaged bank account to them in 2010.

background

Two of our adjudicators have looked into Mr and Mrs H's complaint already and they didn't think BOS had mis-sold the URCA. Mr and Mrs H disagreed and asked for an ombudsman to look at their 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 and Mrs H's complaint.

Having carefully thought about everything provided, I don't think BOS mis-sold the packaged account to Mr and Mrs H. I'd like to explain the reasons for my decision.

I've firstly thought about whether Mr and Mrs H were given a clear choice in taking this account. At this point, I should 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 and Mrs H and BOS have been able to provide me with.

From what I've seen Mr and Mrs H were upgraded to the fee paying URCA from a free account they'd had for a number of years. I understand that they also had a separate free account running alongside this one. So I think Mr and Mrs H would've known BOS did free accounts and they could've had one of those if that's what they really wanted. Mr and Mrs H say they were pressured into taking the account. But what they've said hasn't persuaded me they were pressured to the extent they had no choice other than to take the URCA, especially as they could've just left the branch.

So overall having thought about everything I've seen, I think it's likely Mr and Mrs H were given a clear choice on taking the URCA. And I think it's most likely they agreed to the URCA as they, at the time at least, thought the benefits included might prove useful to have.

Having looked at everything provided, I haven't seen anything to suggest BOS carried out an assessment of Mr and Mrs H's demands and needs before selling the URCA, which is what should've happened if the account had been recommended. So I don't think the URCA was recommended to Mr and Mrs H. And this means BOS didn't have to check if the URCA was right for Mr and Mrs H - it was up to them to do this instead. But BOS did have to give them clear enough information to do this.

I think it's likely Mr and Mrs H would've seen information about things like the monthly fee and the main benefits included on the URCA *before* they agreed to it. After all BOS was trying to get them to pay for an account when they in all likelihood knew they didn't have to. And explaining what they'd get was probably the best way to do this.

When Mr and Mrs H were sold their URCA a couple of the benefits included were mobile phone insurance and home emergency cover. Mr and Mrs H registered handsets for the mobile phone insurance. They said they did this because they were told they had to. But as registering a handset was a requirement for it to be covered, this was something BOS needed to tell them.

I've seen what Mr and Mrs H have said about not needing any of the benefits because they were provided by Mr H's employer. This may or may not be the case. But Mr and Mrs H's registration of handsets for the mobile phone insurance suggests they were at least relying on this cover. And I don't think Mr H's employer would've provided all of the benefits. For example, it would be unusual for an employer to provide a benefit such as home emergency cover. In any event, as the account wasn't recommended, it was up to Mr and Mrs H to consider the implication of any cover they may have had elsewhere. So I don't think that any possible duplication of some benefits means Mr and Mrs H were mis-sold their URCA.

I think Mr and Mrs H were eligible for and could've used the benefits on the URCA. So while I'm open to the possibility Mr and Mrs H weren't told everything they needed to know about all of the benefits, I think they most likely received enough to know what they were agreeing to. And as I haven't seen anything in their circumstances to suggest they would've been affected by any of the main limitations or exclusions on the insurance benefits, I don't think clearer information would've stopped them from taking the URCA in the first place.

Mr and Mrs H may now, with the benefit of hindsight, think they shouldn't have upgraded. And given what they might've read or heard about packaged accounts in general and they say they know someone who's had a complaint upheld, I can understand why they believe their URCA might've been mis-sold. But I think Mr and Mrs H chose to take the URCA having a decent appreciation of what it included. So I want to reassure Mr and Mrs H that having looked at the information provided and thought about everything they've said, I don't think BOS mis-sold the URCA to them.

my final decision

For the reasons I've explained, I'm not upholding Mr and Mrs H's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs H to accept or reject my decision before 15 February 2018.

Jeshen Narayanan
ombudsman