

complaint

Mr and Mrs M have complained that Bank of Scotland plc (trading as Halifax) mis-sold an Ultimate Reward Current Account (URCA) to them in 2009. They paid a monthly fee for the account which offered several benefits in return.

background

One of our adjudicators looked into Mr and Mrs M's complaint. They didn't think that Halifax mis-sold the packaged account to them. Mr and Mrs M didn't accept this 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 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 Mr and Mrs M's complaint.

Having thought carefully about all the points that have been made and the rest of the evidence, I don't think Halifax mis-sold the packaged bank account to Mr and Mrs M. So it doesn't need to compensate them. Let me explain why.

Mr and Mrs M have said the branch told them the URCA was the best account for them and no other options were discussed with them. But I think Halifax gave Mr and Mrs M a fair choice to take the packaged account. I say this because they'd had a free account before. So I think they would've understood enough to know they didn't need to pay to have a bank account. I also haven't seen any persuasive evidence to make me think they were pushed into taking the account. I think it's more likely that they were told about the benefits that were offered by the account, and chose it because of them.

I haven't seen enough to make me think that Halifax discussed Mr and Mrs M's circumstances in detail. Or that it gave them a personally tailored recommendation regarding the packaged account. So it didn't have to check if the account was suitable for them. But it did have to give them enough information so that they could decide if they wanted to take the account. And that's what I've considered here.

The packaged account came with a number of benefits. And Mr and Mrs M have said the main benefits were discussed with them. I don't know exactly what benefits they were attracted to. But there was an interest free overdraft available of up to £300 (subject to application). And Halifax says they registered their mobile phones. Mr and Mrs M could've also used the breakdown cover. So it's possible these were some of the benefits they were attracted to.

I appreciate Mr and Mrs M might not have found all the benefits useful. But I don't think that they needed to be attracted to each and every benefit to think it worthwhile having. Overall, I think Mr and Mrs M were made aware of the key benefits and the cost and they agreed to take the account because it offered something they were attracted to at a price they were prepared to pay. Sometimes people are attracted to benefits they don't end up using. And I think this is what happened here.

It's possible that Halifax didn't tell Mr and Mrs M everything it should have about the packaged account. But I haven't seen anything to make me think that there was anything that Halifax didn't tell them that would have put them off taking the account. Or that there was any reason they couldn't have used the benefits. So I think that they still would have taken the account even if Halifax had told them everything.

In December 2009, the cost of the URCA increased to £12.50 a month. It later increased again in September 2011 to £15. Halifax sent out letters to URCA account holders telling them about the fee increase. So I think it's likely that Mr and Mrs M were sent information about the increase in cost. The fees also appeared on their monthly statements which they've said they saw. But I can understand that they might not now remember receiving this information given that it was some time ago.

Finally, Mr and Mrs M have told us that they have tried to downgrade their account but were told they couldn't. But given that they still hold the URCA and they have also said that they know this information wasn't correct, I don't have enough to say that they haven't been able to downgrade had they wanted to. So I think it's most likely they decided to keep the account as they still thought some of the benefits may be useful.

I want to reassure Mr and Mrs M that I have looked at all the information I have about their complaint. Having done so I don't think Halifax mis-sold the account and I don't think it owes them any money.

my final decision

I know this will come as a disappointment to Mr and Mrs M, but for the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs M to accept or reject my decision before 9 November 2015.

Sarita Taylor
ombudsman