Financial Ombudsman Service

complaint

Miss S has complained that Bank of Scotland plc (trading as Halifax) mis-sold two Ultimate Reward Current Accounts (URCA) to her. She paid a monthly fee for the accounts which offered several benefits in return.

Background

Miss S held two fee free accounts with Halifax - a standard current account and a high interest current account. Both these accounts were upgraded to URCAs on the same day. Halifax has already refunded the fees on the second URCA. But it says the first URCA wasn't mis-sold.

One of our adjudicators looked into Miss S's complaint about the first URCA and didn't think that Halifax had mis-sold this to her. Miss S didn't accept this and asked for an ombudsman to look at her complaint and make a final decision.

my findings

As Halifax has already refunded the fees on the second URCA, this decision only deals with the first URCA.

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 Miss S's complaint.

After giving Miss S's complaint a lot of thought, I haven't seen enough to say that the URCA was mis-sold to her. I know this will be disappointing for Miss S, but I hope my explanation makes clear why I've reached this conclusion.

Miss S says that she was told she'd have to change to a fee paying account because free accounts were going to be withdrawn. Halifax has told us that it did go on to withdraw its high interest current account. So I think it's likely that Halifax did tell Miss S that this type of fee free account was being withdrawn. But I know Halifax didn't withdraw its fee free standard current accounts and that they are still available today. And I haven't seen enough to say that Halifax mis-led her on this point. So I think it's likely that Miss S would've known she could keep a free account if she wanted to. Overall, I think it's likely that when Miss S upgraded her account she was given a fair choice about whether to take the URCA or keep her free one instead.

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

Miss S has agreed that she made use of some of the account benefits so I think Halifax did give Miss S some information about the account. But she says she only used the benefits because she thought she had to have the account. As mentioned above, I think Miss S was given a fair choice to take the URCA. So I think it's more likely that Miss S was attracted to some of the benefits. Miss S had an overdraft on her free account and Halifax charged a fee when it was used. But the URCA offered a fee free overdraft up to a limit of £300. Having looked through the account statements, I can see that Miss S used her overdraft both before and after the upgrade. So while Miss S may have only used the insurance benefits because they were part of the account, I think the account appealed to Miss S for the savings she could make on the overdraft. Miss S might not have used or needed to rely on all the benefits the account offered. But that doesn't mean that it was mis-sold.

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

I'd like to reassure Miss S that I've looked at and thought about everything she's sent me and said. And I can see she feels very strongly that the bank must have done something wrong because she had two URCAs. But Halifax has compensated her for the second URCA and overall, I haven't seen enough to suggest Halifax did anything wrong when it sold this particular account. So it doesn't need to refund these fees.

my final decision

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 Miss S to accept or reject my decision before 5 February 2016.

Sandra Greene
ombudsman