

complaint

Miss F has complained that Bank of Scotland plc (trading as "Halifax") mis-sold an Ultimate Reward Current Account ("URCA") packaged bank account to her in 2009.

background

One of our adjudicators has looked into Miss F's complaint already and she didn't think that Halifax mis-sold the packaged account to her. Miss F 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 Miss F's complaint.

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

I've firstly thought about whether Miss F 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 Miss F and Halifax have been able to provide me with.

It looks like Miss F upgraded to the URCA from a fee free account that she'd had for a couple of years. So I think it's likely that Miss F would've known Halifax did fee free accounts and that she could've had one if that's what she really wanted. I've seen that Miss F's said Halifax's salesperson pushed her into taking the account. But I haven't seen enough here to be able to say that Miss F was pressured to the extent that she was left with no choice other than to agree to the URCA.

So overall and having thought about everything, I think it's most likely that Miss F chose to upgrade to the URCA after having been given a clear choice. And I think it's most likely she chose to take the account out as she was interested in the benefits it included.

From what I've seen, I don't think that Halifax made a tailored recommendation of the account to Miss F. So Halifax didn't have to check if it was right for Miss F and it was up to Miss F to do this. But Halifax did have to give her clear enough information to do so. I do think it's likely that Miss F was provided with some information on the main benefits included on the account. After all Halifax was trying to get her to pay for an account when she in all likelihood knew she didn't have to. And telling her what she'd get for the fee was probably the best way to do this. Indeed what Miss F's said about telling the salesperson that she didn't need some of the benefits suggests that she was told what the account included. But it's possible that the 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, a couple of the main benefits it included were mobile phone insurance and preferential overdraft terms. The information I've seen suggests that she contacted Halifax to register a handset for the mobile phone insurance a couple of days after the upgrade took place. I know that Miss F disputes this as she says Halifax registered her phone automatically. But the information provided suggests that Miss F made a phone call to Halifax to request the handset registration.

In any event, I'd also point out that even if I were to agree that Miss F wasn't the one who registered the handset (I want to make it clear that I'm not making this finding here), it looks like she had a mobile phone. And as Miss F hasn't said that she had this cover elsewhere at the time, I think it's fair to say that she had a need for this cover and I haven't seen anything to suggest that she couldn't have found having it useful.

The information I've seen also suggests that Miss F was regularly using an agreed overdraft when she upgraded. And at the time, URCA holders didn't have to pay any interest on the first £300 of any overdrawn balance. So Miss F paid less interest than she otherwise would've if she stayed on her fee free account. And I think she found the preferential overdraft terms useful as a result.

I've seen what Miss F has said about not being in good health and having existing medical conditions. I accept that Miss F's medical conditions wouldn't have been covered by the travel insurance unless she contacted the insurer and it agreed to cover them. I don't know if Miss F was told about the need to do this. But, in any event, I need to think about what she would've done if she was told everything she needed to know about the policy. And as she's said that she never travelled, I don't think that being told about the restrictions on the travel insurance would've seen Miss F deciding against taking the URCA. So I don't think that Miss F's medical conditions mean that the account was mis-sold to her.

I accept that there were other benefits on the URCA. And Miss F might not have wanted or needed all of them. But the benefits on packaged accounts aren't tailored to individuals. And it's rare for an accountholder to want and need each and every one of the benefits on a packaged account. As the account wasn't recommended it was up to Miss F to decide whether she'd find enough of the package useful to make it worthwhile having. Overall everything I've seen suggests that Miss F did use some of the benefits on the URCA and she was eligible for and could've used some of the others too. As this is the case, I don't think that it was unfair for Halifax to have offered the account to her and I think it's most likely that she received enough information for her to know what it was she was agreeing to.

Miss F may now, with the benefit of hindsight, think that she shouldn't have upgraded. And given what she might've read or heard about packaged accounts and what the claims management that initially contacted her is likely to have told her, I can understand why this might now lead her to believe her account might have been mis-sold too. But I think it's likely that Miss F chose to upgrade knowing what the account included. And while she 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 Miss F that I've looked at all the information provided about her complaint. And I've thought about everything she's said. Having done so, I don't think Halifax mis-sold the packaged account to her. So I don't think that it owes her any money.

my final decision

For the reasons I've explained, I don't uphold Miss F's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Miss F to accept or reject my decision before 12 September 2016.

Jeshen Narayanan
ombudsman