

complaint

Mrs T has complained that HSBC Bank Plc (“HSBC”) mis-sold her a Plus packaged bank account in 2007.

Mrs T has used a Claims Management Company (“CMC”) to make her complaint.

background

One of our adjudicators has looked at Mrs T’s complaint already and didn’t think HSBC had mis-sold the packaged account. The CMC disagreed and asked for an ombudsman’s review.

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 Mrs T’s complaint.

I’ve carefully thought about everything I’ve seen on this complaint. Having done so and while I know that this will be disappointing for Mrs T, I’m not upholding this complaint. I’d like to explain why in a bit more detail.

I’ve firstly thought about whether Mrs T 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 more likely than not 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 more likely than not to have happened having weighed up what both Mrs T and HSBC have been able to provide me with.

Mrs T’s account was upgraded to a Plus one from a free one she’d had for some time. So I think Mrs T would’ve known HSBC did free accounts. The CMC says that Mrs T’s account was upgraded without her permission and that she simply received a letter through the post telling her that she now had a Plus account. But it’s usual practice for a business to send a ‘Welcome Pack’ in the post – after a consumer has agreed to an upgrade - confirming that an account has been upgraded. So I don’t think Mrs T receiving an upgrade letter is itself indicative of the switch having taken place without her permission.

I’m also mindful that Mrs T also took out a loan at the same time as the account switch took place. Mrs T received a preferential loan rate on this loan because preferential borrowing rates were a benefit of the Plus account. The close proximity of the loan application to the switch coupled with the fact that Mrs T doesn’t appear to have queried why her account changed either when she received the welcome pack, or when she switched back to a free account some seven years before she complained, leads me to think it’s more likely than not Mrs T upgraded to get a preferential loan rate.

So overall having weighed up what I’ve been told are Mrs T’s recollections against everything else I’ve seen, I think it’s likely she was given a clear choice on taking the Plus account. And I think it’s more likely than not she chose to take the Plus account to get a preferential loan rate.

From what I've seen, I don't think HSBC recommended the Plus account to Mrs T. So it didn't have to check whether it was right for her. And it was up to Mrs T to do this for herself bearing in mind the cost of the account and the benefits included. I think it's likely that Mrs T would've been told about most, if not all, of the benefits on the account in order to make it appear as attractive as possible. After all HSBC was trying to persuade her to take a fee paying account when she most likely knew she didn't have to. And the best way to have done this would've been by telling her about what she'd get for the monthly fee.

I think that Mrs T used the main benefit she upgraded for. She received a preferential rate on the loan she took out. Mrs T also had an overdraft. And she would've paid less interest when using it, because she had the Plus account. Mrs T also had savings with HSBC and received more interest on them because she had the Plus account. So I think that she would've found the Plus account useful for the preferential borrowing and savings rates.

I'm open to the possibility that Mrs T may not have been told about all of the significant features and exclusions on all of the insurance benefits. But I haven't seen anything in her circumstances to say that she would've been significantly affected by any of them. So I don't think that clearer information would've stopped her taking the account out in the first place.

Mrs T may now, with the benefit of hindsight, believe she hasn't benefitted from the account as much she had hoped and expected to. And given what she might've read and heard about packaged accounts in general and her friend having a complaint upheld, I can to some extent understand why she might believe her account was mis-sold. But I have to look at the case that's in front of me and decide what I think is most likely to have happened. And I want to reassure Mrs T that having looked at everything provided and listened to what she's said, I don't think that HSBC mis-sold the Plus account to her.

my final decision

For the reasons I've explained, I don't uphold Mrs T's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mrs T to accept or reject my decision before 10 January 2019.

Jeshen Narayanan
ombudsman