

complaint

Mrs W has complained that Bank of Scotland plc (trading as “Halifax”) mis-sold an Ultimate Reward Current Account (“URCA”) packaged bank account to her in 2010.

background

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

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

I’ve firstly thought about whether Mrs W 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 Mrs W and Halifax have been able to provide me with.

It looks like Mrs W account was opened as a fee paying URCA. But it’s common knowledge that fee free accounts are widely available in the United Kingdom (“UK”). And I understand Mrs W had one of those with Halifax which she kept running alongside her URCA. Mrs W has said that she was told that she had to have the packaged account in order to be able to have an overdraft. But the information I’ve seen suggest that Mrs W completed the upgrade online in her own time. Mrs W has since told us that she opened the account online after having had a discussion in branch. I’d like to start by saying that this is something that she didn’t say when making her initial complaint to Halifax and when she first contacted us.

In any event, the information I’ve seen shows that Mrs W went into branch to sign the paperwork for the account *after* she’d already opted for the URCA during her online application. I’m also mindful that Mrs W’s agreed overdraft was for only £200. And I don’t think she would’ve agreed to a packaged account and committed to the monthly fee simply to get an overdraft of £200. Especially as her statements show that this is something she wasn’t always using.

Having thought about everything, I think it’s most likely that Mrs W chose to upgrade to the URCA after having been given a clear choice as she was most likely 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 Mrs W. So Halifax didn’t have to check if it was right for Mrs W and it was up to

Mrs W to do this. But Halifax did have to give her clear enough information to do so. I do think it's likely that Mrs W 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 explaining what she'd get for the fee was probably the best way to do this. But it's possible that this 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, some of the main benefits it included were mobile phone insurance, breakdown cover and preferential overdraft terms. Mrs W registered a handset for the mobile phone insurance. So I think it's fair to say that Mrs W had a need for this cover and that she found having it useful. Mrs W also drove and owned a car. So I've seen no obvious reason why she couldn't have used the breakdown cover.

I've seen what Mrs W has said about already having mobile phone insurance and breakdown cover elsewhere. I don't know if she did because I haven't seen anything to support this – and Mrs W's registration of a handset for the mobile phone insurance actually appears to contradict what she's said. But, in any event, I think that Mrs W would've seen that the account came with mobile phone insurance and breakdown cover. And I can't hold Halifax responsible if she chose to buy cover elsewhere instead of relying on what the account included. So I can't say that the account was mis-sold simply because Mrs W may have decided to buy cover elsewhere.

Having looked at Mrs W's account it looks like she had an overdraft with an agreed limit of £200. Halifax's fee free account holders had to pay a £1 a day usage fee to use an agreed overdraft. But URCA holders didn't have to pay the £1 a day usage fee as long as they stayed within the both the URCA account limit and their agreed overdraft limit. Mrs W's agreed limit meant that she wouldn't pay anything to use her overdraft as long as she didn't go over her limit. Mrs W's statements show some use of her overdraft. So I think that she's saved on overdraft usage fees she would've otherwise paid as a result of having the URCA.

Overall everything I've seen suggests that Mrs W did use some of the benefits of the URCA and she was eligible for and could've used some of the others too. As this is the case, I think it's most likely that she received enough information for her to know what it was she was agreeing to.

Mrs W may now, with the benefit of hindsight, think that she shouldn't have taken this account. And given what she might've read or heard about packaged accounts, I can understand why this might now lead her to believe her account might have been mis-sold. But I think it's likely that Mrs W chose the URCA knowing what it 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 Mrs W 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 Mrs W's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mrs W to accept or reject my decision before 8 August 2016.

Jeshen Narayanan
ombudsman