

complaint

Mr O has complained that Bank of Scotland plc (trading as Halifax) mis-sold an Ultimate Reward Current Account (URCA) to him in 2012. He paid a monthly fee for the account which offered several benefits in return.

Mr O has used a claims management company (CMC) to bring his complaint to us.

background

One of our adjudicators looked into Mr O's complaint. She didn't think that Halifax mis-sold the packaged account to Mr O. Mr O didn't accept this and asked for an ombudsman to look at his 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 O'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 O. So it doesn't need to compensate him. Let me explain why.

Mr O has said that he was told that taking the URCA would improve his chances of getting an overdraft. But as I don't know what was said during the call I have thought about what Mr O has said in the overall context of everything I've been told. What I do know is that Mr O had held a free account with Halifax before he upgraded. And this free account had an overdraft already attached to it. Taking everything into account, I think it's most likely Mr O knew he didn't need to pay for an account to have an overdraft.

Overall, I think it's likely that when Mr O upgraded his account he was given a fair choice about whether to take the packaged account or keep his free one instead. And he decided to upgrade to the URCA because he was attracted to some of the benefits.

I've not seen any persuasive evidence to suggest that Halifax recommended the packaged account to Mr O. This means it didn't have to check if the account was suitable for him. It was up to Mr O to decide if the packaged bank account was right for him, taking into account his situation at the time.

Halifax did have to give Mr O enough clear information about the packaged account for him to decide if he wanted it. And that's what I have considered here. Mr O has said that he already had separate mobile phone insurance. But I think it's most likely there was a discussion between Halifax's representatives and Mr O about the main features and benefits of the account (including the cost) because those would have made it more attractive to him. So I think he would have known enough about the account to know what benefits he already had. It was then up to Mr O to compare the cover.

In any event, I think it was the banking benefits that attracted Mr O to the URCA. I can see that Mr O already had an overdraft facility on his free account. And on which he had to pay a

daily fee of £1.00 if he used it - whereas the URCA offered a preferential fee-free overdraft up to a limit of £300. Having looked through the account statements, I can see that Mr O used his overdraft regularly both before and after the upgrade. So while I have thought about everything, including what the CMC has said about Mr O's financial circumstances at the time, I think the account would've appealed to him for the savings he could make on the overdraft. I accept Mr O might not have found all the benefits useful. But packaged bank accounts are rarely tailored to individual consumers and just because Mr O might not have used all the benefits the account offered doesn't mean that it was mis-sold.

It's possible that Halifax didn't tell Mr O everything it should have about the packaged account. But I haven't seen anything to convince me that Mr O would not still have taken the account even if Halifax had told him everything.

The CMC has said that it thinks Halifax should have checked over the years to make sure the account was still suitable for Mr O. But, as I think Mr O was given a fair choice when he took the account and knew he had it and the benefits it provided. I think it was for Mr O to downgrade it if he didn't think it was right for him anymore.

I'd like to reassure Mr O that I've looked at everything he's sent me. I also appreciate that looking back he might now feel the URCA hasn't been good value for money. But overall, I haven't seen enough to suggest Halifax did anything wrong when it sold the account. So it doesn't need to compensate Mr O.

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 Mr O to accept or reject my decision before 12 November 2015.

Sarita Taylor
ombudsman