

complaint

Mr and Mrs L have complained that Bank of Scotland plc (trading as Halifax) mis-sold an Ultimate Reward Current Account (URCA) to them in 2009. They paid a monthly fee for the account which offered several benefits in return.

Mr and Mrs L have used a claims management company (CMC) to bring their complaint to us.

background

One of our adjudicators looked into Mr and Mrs L's complaint. The adjudicator didn't think that Halifax had mis-sold the account and didn't recommend it needed to refund the account fees.

Mr and Mrs L didn't accept this conclusion and asked for an ombudsman to look at the complaint and make a final decision. In summary, they said:

- The only benefit Halifax highlighted was the travel insurance.
- They didn't know the account came with home emergency cover and that had they known they would've used it when they had a leak.
- They didn't get a Welcome Pack or any other booklet from the bank.
- The bank told them to register their phones.
- They weren't told to review their account.

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 and Mrs L's complaint. I agree with our adjudicator that Halifax didn't mis-sell the URCA to Mr and Mrs L and doesn't need to refund the fees. I say this because:

I've seen a copy of Mr and Mrs L's signed application form and can see they upgraded to the URCA from a fee free account. I've not seen anything to suggest that they thought they couldn't keep their existing account or that they now had to pay for one. So I think it's most likely that Halifax gave Mr and Mrs L a fair choice to take out the packaged account. And I think they took the URCA because they thought they'd find one or more of the account features useful.

I don't doubt Halifax brought the URCA to Mr and Mrs L's attention when they went into the branch to pay a credit card bill. But I haven't seen anything to suggest that Halifax asked about their specific circumstances or provided a tailored recommendation. So I don't think that Halifax recommended the packaged account Mr and Mrs L. This means it didn't have a responsibility to check if the account was suitable for them. It was for Mr and Mrs L to decide if the account was right for them - taking into account any existing insurance policies they may have had which the account benefits duplicated. But Halifax did need to give Mr and Mrs L enough information so that they could decide if they wanted the URCA.

Mr and Mrs L have accepted Halifax told them about the travel insurance available on the account but their adamant that no other benefits were discussed. In particular, they've stressed they didn't know the account offered them home emergency cover. I don't know everything that was discussed with Mr and Mrs L. But on this point, I think it's most likely that Halifax's representative would've highlighted the main benefits (including the cost) of the account because it's those that would've made the account more attractive for the fee. And I think it's more likely that over time Mr and Mrs L forgot they had home emergency cover and possibly focused on the benefits that were of most interest to them at the time, such as the travel insurance. And later on I can see Mr and Mrs L contacted the travel insurer to declare their medical conditions, suggesting they continued to find the account useful for this benefit.

Given that Mr and Mrs L also owned a mobile phone when the account was sold, I think it's possible they could've thought they'd find this benefit useful too. I accept it's possible Mr and Mrs L may have registered their phones after the bank suggested they do - in 2013 registration of a phone wasn't a requirement but it was something that was recommended. I'm sorry to hear Mr and Mrs L found Halifax's final response letter implying they'd instigated the registration upsetting. But as Halifax has paid them £25.00 in recognition of the upset caused, I don't think it needs to do anymore.

I accept it's possible that Halifax didn't tell Mr and Mrs L everything it should've about the URCA and they didn't get the Welcome Pack until after they took the account. But I haven't seen anything to make me think that Mr and Mrs L wouldn't still have taken the account even if Halifax had told them everything. As set out above, I think Mr and Mrs L they knew enough about the account to know it came with benefits and I think it's unlikely they would've thought the benefits would be free.

Finally, Mr and Mrs L have said Halifax should have told them to review their account. I have thought about this but I don't think the bank was under any obligation to do this. Over the years, Halifax would've written to Mr and Mrs L as and when benefits were added and removed. It would've also provided them with account statements. So I think Mr and Mrs L could've reviewed their account to see if it continued to be of use to them.

I want to reassure Mr and Mrs L that I have looked at all the information I have about their complaint. Having done so I don't think Halifax mis-sold the URCA and I don't think it owes them any money.

my final decision

For the reasons I've explained, I don't uphold Mr and Mrs L's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs L to accept or reject my decision before 11 April 2016.

Sarita Taylor
ombudsman