

complaint

Mr K has complained that Bank of Scotland plc mis-sold an Ultimate Reward Current Account ("URCA") packaged bank account to him in 2008.

background

One adjudicator looked at Mr K's complaint and didn't think BOS had mis-sold the URCA. Mr K disagreed and asked for an ombudsman's 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 Mr K's complaint.

Having carefully thought about everything provided, I don't think BOS mis-sold the packaged account to Mr K. I'd like to explain the reasons for my decision.

I've firstly thought about whether Mr K 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 Mr K and BOS have been able to provide me with.

Mr K's upgraded to the URCA from a free account he'd had opened a month or so previously. So I think Mr K would've known BOS did free accounts and that he could've had one of those if that's what he really wanted. Mr K has said that he was persuaded to switch accounts because would qualify for an overdraft guaranteed to increase with time. But I have think about what he's said in the context that the sale took place a decade ago.

Equally Mr K had an overdraft on his account before it was switched to an URCA. I'm also mindful this his overdraft limit actually decreased shortly after the upgrade and it never went back up to its original limit. In these circumstances, I think it's unlikely Mr K would've kept the URCA if he genuinely took it simply because he was led to believe his overdraft was guaranteed to increase over time. And as Mr K kept the account for a number of years, I'm afraid his actions don't support him having been misled into taking the URCA by being told having it meant his overdraft limit was guaranteed to increase over time.

Overall having thought about everything I've seen, I think it's most likely Mr K was given a clear choice on taking the URCA. And I think it's likely that he chose to upgrade as he wanted at least some of the benefits included.

BOS says it didn't recommend the account to Mr K. And I haven't seen anything here to suggest Mr K's needs were assessed before the URCA was sold to him, which is what should've happened if the account was recommended. So I don't think BOS recommended the URCA to Mr K. This means it didn't have to check if the URCA was right for Mr K. It was up to Mr K to do this. But BOS did have to give him clear enough information to do so. I do think it's likely Mr K was provided with information on the main benefits included on the URCA. After all BOS was trying to get him to pay for it when he in all likelihood knew he didn't have to. And explaining what he'd get was probably the best way to do this.

When Mr K upgraded the URCA, amongst other things, included benefits such as mobile phone insurance, breakdown cover and preferential overdraft terms. Mr K paid less to use his overdraft as a result of having the URCA, he registered a handset with the mobile phone insurance provider and also drove and had a car.

This suggests Mr K had a need for, at least some, of the benefits. I've seen what Mr K has said about having a packaged account elsewhere. But his registration for the mobile phone insurance on this account – irrespective of how he found out about this cover – suggests he was relying on it. In any event, as the account wasn't recommended, it was up to Mr K to address the implications of any duplicate cover. I accept Mr K may not have needed all the benefits. But the benefits on packaged accounts come as overall packages. It isn't possible to have some of them without also having the rest of the package. And it's rare for accountholder to want and need all of the benefits.

Overall I think that Mr K actively used, at least, one of the main benefits on the URCA and he could've some of the others too. So while I'm open to the possibility he might not have been provided with everything he needed to about all the ins and outs of the benefits, I do think that he saw enough to know and understand what it was he was agreeing to. And as I haven't seen anything in Mr K's circumstances which suggests he would've been affected by any of the main limitations or exclusions on the insurance, I don't think clearer information would've stopped him taking the URCA or that BOS did anything significantly wrong here.

Mr K may now, with the benefit of hindsight, think he shouldn't have taken this account. And given what he might've read or heard about packaged accounts in general, I can understand why he believes his URCA might have been mis-sold. But I think it's most likely Mr K upgraded having a decent appreciation of what the URCA included. And while he may now believe it hasn't proved value for money, I don't think BOS mis-sold the URCA to him.

my final decision

For the reasons I've explained, I'm not upholding Mr K's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr K to accept or reject my decision before 19 August 2018.

Jeshen Narayanan
ombudsman