

complaint

Mrs Y has complained that HSBC Bank Plc mis-sold a Plus packaged bank account to her in 2007. The account was later rebranded as an Advance account. She paid a monthly fee for the account which offered several benefits in return.

background

One of our adjudicators looked into Mrs Y's complaint already. The adjudicator didn't think that HSBC mis-sold the packaged account to Mrs Y and didn't recommend that it should refund the fees. Mrs Y didn't accept this conclusion and asked for an ombudsman to look at the complaint afresh 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. This includes all the emails between Mrs Y and the adjudicator.

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 Mrs Y's complaint. I agree with our adjudicator that HSBC didn't mis-sell the packaged account to Mrs Y and doesn't owe her any money. I hope my explanation will help her understand how I have come to this conclusion.

Mrs Y held a fee free joint account with HSBC before she opened the Plus account. It's also the case that free accounts are widely available in the UK. So I'm satisfied Mrs Y would've understood that free accounts were available and that she didn't have to take a packaged account if she didn't want to. So I think it's most likely that HSBC gave Mrs Y a fair choice to take the packaged account.

Mrs Y says she later queried the account fees and was led to believe HSBC charged for accounts. I don't doubt Mrs Y has given us her honest recollection of events, but I'm mindful that even the best of memories can fade over such a long period of time. I do know that HSBC and the other major banks hadn't stopped offering free accounts to customers. And I haven't seen enough to say HSBC mis-led Mrs Y on this point.

HSBC didn't recommend the packaged account to Mrs Y so it didn't have to check if it was suitable for her. But it did have to give her enough information about the packaged account for her to decide if she wanted it.

On this point, I don't know everything that was discussed with Mrs Y when she took out the packaged account, but I do think it's likely HSBC would have told her about the main benefits of the account (including the cost), as these would have made the account more attractive.

The packaged account came with a number of benefits. And, like our adjudicator, I think that Mrs Y was attracted to some of the benefits of the packaged account and chose it because of these benefits. In particular, HSBC has confirmed that as a result of having the packaged account Mrs Y could benefit from a 2% discount on her overdraft interest rate and she took an overdraft at the time. She also had a Cash ISA and Flexible Saver account and deposited

funds into these, which gave her access to preferential rates of interest. So I think it's likely that she would've been interested in these benefits.

Mrs Y has indicated she didn't need car breakdown cover or mobile phone insurance. Having checked the account terms, it seems that car breakdown cover and mobile phone cover weren't benefits on the account at the time. So HSBC wouldn't have been required to tell her about these benefits at the point of sale.

It's possible that HSBC didn't tell Mrs Y everything it should've about the packaged account. Mrs Y has said it didn't tell her that the loss of personal items wouldn't be covered. I don't know the ins and outs of what happened when Mrs Y contacted the insurer. But as Mrs Y kept the account after the incident, this would suggest the travel insurance wasn't her only and main reason for taking the account. Overall, I haven't seen anything to make me think that Mr Y wouldn't still have taken the account even if HSBC had told her everything.

With hindsight, Mrs Y might feel that the packaged account hasn't been particularly beneficial to her. But taking the evidence as a whole, I think it's more likely than not that she agreed to take the account, knowing she had a choice and that she was taking an account with benefits. Just because she hasn't taken advantage of all the benefits, doesn't mean that the account was mis-sold.

I want to reassure Mrs Y that I've looked at all the information I have about her complaint. Having done so I don't think HSBC mis-sold the packaged account. I don't think it owes her any money. I make no comment about Mrs Y's claim so she is free to pursue that matter separately with the insurer if she so wishes (unless of course she's already done so).

my final decision

I know this wasn't the outcome Mrs Y was hoping for, but for the reasons I've explained, I don't uphold this complaint about HSBC Bank plc. I am not asking it to pay her any compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs Y to accept or reject my decision before 15 February 2016.

Sarita Taylor
ombudsman