

complaint

Mrs W complained that Bank of Scotland Plc, trading as Halifax ('Halifax') mis-sold her a packaged bank account. In 2010, Mrs W upgraded to a fee paying Ultimate Reward Current Account ('URCA'). The URCA offered a number of benefits for a monthly fee.

background

Mrs W told us that she wanted the URCA for the overdraft benefit. She said that she was aware of the fee for the account but she said that she wasn't told about the other benefits which came with the URCA. Mrs W said that if she had been told about them she would have relied on them and cancelled some existing cover.

Mrs W also said that she was unhappy about charges of £10 a month on her account when she hadn't used her overdraft, had been putting over £750 into her account each month and had two direct debits set up.

Our adjudicator who looked at Mrs W's complaint thought that it shouldn't be upheld. Mrs W disagreed so her complaint has come to me for review and 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 taken this into account in deciding Mrs W's complaint.

I've decided not to uphold this complaint and I explain why below.

Mrs W upgraded to the URCA from a fee free 'Reward' current account. Mrs W has told us that she was attracted to the overdraft benefit which came with the URCA. I can see that shortly before she upgraded Mrs W was regularly using the overdraft on her fee free account and was incurring overdraft charges - Halifax charged £1 a day for using a planned overdraft. One of the benefits of the URCA was that you didn't need to pay this fee for overdrafts up to £300. So I can understand why Mrs W was attracted to the overdraft benefit.

I've looked carefully at all the information I've been given. Mrs W told us that she upgraded to the URCA at a meeting with Halifax. She says she was told about the cost of the URCA and the overdraft benefit. I can see that after she upgraded she continued to use her overdraft regularly. I can also see that Mrs W didn't always stay within the £300 fee free limit during a month and that she incurred some planned overdraft fees in addition to the account fee. But provided Mrs W stayed within the £300 fee free overdraft limit for more than 8 days (taking the reward payment into account), it was cheaper for her to have an URCA than a fee free account. And I think it's likely that she was aware of this when she upgraded and was attracted to the URCA because of it.

I also think it's likely that Halifax told her about the other benefits which came with the URCA. I say this because I think Halifax would have wanted to make the account attractive to her. Halifax's customer notes for Mrs W also show that it sent her a 'Welcome Pack' at the time she upgraded with information about the benefits which came with the URCA. And I think it's likely that Halifax sent this to her even though Mrs W doesn't now remember receiving it.

Halifax said that Mrs W registered cards in 2011 and also called to discuss the travel cover. Mrs W agreed that she'd called Halifax to discuss family travel insurance. But she said that she wasn't aware that she had travel insurance as a benefit of the URCA and she'd paid for separate cover elsewhere. I accept what Mrs W says about paying for separate cover for car breakdown and travel insurance. I can see from her account statements that she is paying monthly for breakdown cover.

But taking everything into account, I don't think Halifax has done anything wrong here. From what Mrs W has told us, I think the main reason she upgraded to the URCA was for the overdraft benefit. And I think that Halifax also gave her information about the other benefits which came with the account. It's not clear to me why Mrs W didn't rely on those benefits and paid for separate cover. It's possible that she didn't have much need for the other benefits at the time she upgraded and so didn't pay much attention to the information she was given. It's also possible that she forgot to cancel the existing duplicate cover she had and then continued to pay for this. I note that over five years have passed since Mrs W upgraded. And I think that over time Mrs W has probably forgotten about some of the information she was given about the benefits when she upgraded and has paid for or taken out duplicate cover for car breakdown and travel.

I've also looked at what Mrs W has said about being charged for an overdraft she wasn't using and paying in two direct debits and £750 a month into her URCA. I can see that Mrs W hasn't used her overdraft a lot in the last year. But I think that Mrs W is now confusing two separate things – the cost of the URCA and the £5 monthly 'reward' which Halifax gives customers who meet certain conditions on its URCA and fee free Reward current accounts.

Where customers pay in a minimum amount each month into an URCA or Reward account and set up two direct debits, Halifax credits the account with £5. I think it's unlikely that Halifax told Mrs W that she wouldn't have to pay a fee for her URCA, or overdraft, if she met these conditions. I think it's more likely that Halifax told Mrs W that she'd get a £5 reward if she met the 'reward' conditions and wouldn't incur additional overdraft fees if she stayed within the £300 fee free overdraft limit.

So, I don't think that Mrs W's complaint should be upheld.

my final decision

For the reasons above, I don't uphold this complaint and I make no award against Bank of Scotland Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 2 November 2015.

Avril O'Meara
ombudsman