

complaint

Mr P has complained that Bank of Scotland plc (trading as Halifax) mis-sold an Ultimate Reward Current Account (URCA) to him in 2009. He paid a monthly fee for the account which offered several benefits in return.

background

Mr P opened a fee free account with Halifax in 2008. The account was upgraded to an URCA in 2009.

One of our adjudicators looked into Mr P's complaint. The adjudicator didn't think that Halifax had mis-sold the packaged account to him. Mr P didn't accept this conclusion – he 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. 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 P's complaint.

Having thought carefully about all the points that have been made and everything else I have, I don't think Halifax mis-sold the URCA to Mr P. So it doesn't need to refund the account fees. Let me explain why.

Mr P says Halifax was changing the terms and conditions of his account in 2009 and he was led to believe that his existing account wouldn't exist. So he thought he had no choice but to take the URCA instead. Mr P adds that all he needed was an overdraft as a 'safety net'. I don't know everything that was communicated to Mr P by Halifax. I also appreciate this all happened a number of years ago. Where there is a dispute about what happened (as there is here) I have to think about what Mr P has said, in the overall context of everything I've been told and what documentation remains to decide what I think most likely happened.

On this point, I do know that, Mr P had had a fee free account with an overdraft facility already on it. I've not seen anything persuasive about Mr P's circumstances to make me think he thought his free account and overdraft facility were no longer available to him. Also, Halifax and most of the other major banks hadn't stopped offering free accounts with lending facilities. Taking the evidence as a whole, I think it's most likely that Halifax gave Mr P a fair choice to take the packaged account.

Mr P has said that Halifax advised him to take the account. I think Halifax probably did bring the account, benefits and the cost to his attention. But I haven't seen anything to suggest that it asked Mr P about his specific circumstances or provided a tailored recommendation. So I don't think that Halifax recommended the account to Mr P. This means it didn't have to check if the account was suitable for him. But Halifax did have to give Mr P enough clear information about the URCA for him to decide if he wanted it. And that's what I have considered here.

I don't know the level of detail Halifax went into about the URCA. But I think it's most likely the main features and benefits of the account would've been highlighted because those would have made it more attractive to him. So I think Mr P would've known enough about the account to know what the key features were.

One of the benefits on the URCA was that it offered a fee free overdraft of up to £300. As mentioned above, Mr P already had an overdraft - if he used this on his free account and remained within the threshold, he'd incur a £1 daily fee. Whereas on the URCA the same use was free. So it's possible this benefit was something Mr P may have thought he'd find useful. In addition to this, the URCA also came with mobile phone insurance. Halifax has said Mr P registered a number of phones between 2010 and 2014. Whilst I understand Mr P may not have made any claims, the registration of the phones suggests he was relying on the insurance in the event that he needed to.

I accept Mr P may not have found all of the insurance benefits useful. But packaged bank accounts are rarely tailored to individual consumers. And just because Mr P 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 P everything it should have about the URCA. But I haven't seen anything to convince me that Mr P wouldn't still have taken the account even if Halifax had told him everything.

I want to reassure Mr P that I have looked at all the information I have about his complaint. Having done so I don't think Halifax mis-sold the URCA to him. And it doesn't need to refund the fees.

my final decision

For the reasons I've explained, I don't uphold Mr P's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr P to accept or reject my decision before 7 March 2016.

Sarita Taylor
ombudsman