

complaint

Mr C has complained that Bank of Scotland plc (trading as “Halifax”) mis-sold an Ultimate Reward Current Account (“URCA”) packaged bank account to him in 2008.

background

One of our adjudicators has looked into Mr C's complaint already and he didn't think that Halifax had mis-sold the packaged account. Mr C didn't accept this and asked for an ombudsman to look at the complaint 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'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 C's complaint. Having carefully thought about everything provided, I don't think that Halifax mis-sold the packaged account to Mr C. And so it doesn't owe him any compensation. I'd like to explain why.

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

It looks like Mr C upgraded to the URCA from a fee free account that he'd had for over a year. So I think that Mr C would've known Halifax did fee free accounts and that he didn't have to have the URCA if he didn't want to. Mr C has said that he was pressured into taking the account. But he hasn't said anything about what it was that caused him to feel pressured. So, in these circumstances, it's difficult for me to say he was pressured to the extent he was left with no choice other than to upgrade. Overall and having thought about everything, I think it's most likely that Mr C agreed to take the URCA after having been given a clear choice as, at the time at least, he was interested in the benefits it included.

Mr C has said that the account was recommended to him. But he's also said that he wasn't told anything about the benefits of the account or how to use them. Given what Mr C's said, it's difficult for me to say that Halifax carried out a detailed investigation into Mr C's personal circumstances at the time of the sale, which is what it would've done if the account had been recommended. So I've not seen enough here to be able to say that Halifax did recommend the URCA to Mr C, or say that the account would be right for him based on the benefits it included. And this means that Halifax didn't have to make sure the account was right for Mr C. Instead it was up to Mr C to do this for himself. But Halifax did have to give him clear enough information in order to be able to do this.

I do think it's likely that Mr C was provided with some information on the main benefits included on the account. After all Halifax was trying to get him to pay for an account when he in all likelihood knew he didn't have to. And telling him what he'd get for the fee was probably the best way to do this. Mr C's use of some of the benefits (albeit he doesn't recall this) does

suggest this is the case. But it's possible that this information didn't explain everything about all of the significant features and exclusions on *all* of the benefits.

Some of the main benefits included on the URCA at the time Mr C took it out were mobile phone insurance, card protection, travel insurance, and breakdown cover. Mr C looks to have registered a handset for the mobile phone insurance shortly after taking the account. This suggests that he found having this cover useful and that he was relying on it too. I've seen what Mr C's said about having no recollection of registering a handset. But as the registration took place such a long time ago this isn't surprising. And as this information has come from the insurer, which has no stake in this this complaint, I have no reason to disbelieve or doubt the authenticity of it. The information I've seen also suggests that Mr C registered cards and documents for the card protection benefit. So I think this is something that he was most likely interested in too.

It also looks like Mr C travelled. And having looked at his circumstances at the time – he was under the age limit, a United Kingdom resident and registered with a doctor – I've seen no obvious reason why he couldn't have made a claim on the travel insurance policy if he needed to. Mr C also drove and had a car. So I've seen no reason why he couldn't have found the breakdown cover useful either. I've seen what Mr C has said about already having and continuing to buy this cover elsewhere. I don't know if he did. But as I think Mr C was most likely told that the account came with these benefits, I can't hold Halifax responsible if he chose to buy cover elsewhere instead of relying on what was included on the account. So I can't say that the account was mis-sold simply because Mr C may have decided to buy cover elsewhere.

I accept that there were other benefits on the URCA. And Mr C might not have wanted or needed all of them. But the benefits on packaged accounts aren't tailored to individuals. And it's rare for an accountholder to want and need each and every one of the benefits on a packaged account. As the account wasn't recommended it was up to Mr C to decide whether he'd find enough of the package useful to make it worthwhile having. Overall everything I've seen suggests that Mr C did use some of the benefits on the URCA and he was eligible for and could've used some of the others too. So overall I think it's most likely that he received enough to know and understand what it was he was agreeing to.

Mr C may now, with the benefit of hindsight, think that he shouldn't have upgraded. And given what he might've read or heard about packaged accounts, I can understand why this might now lead him to believe his account might have been mis-sold. But I think it's likely that Mr C chose to upgrade knowing what the account included. And while he may believe the account hasn't proved value for money, I don't think that it was mis-sold to him.

I want to reassure Mr C that I've looked at all the information provided about his complaint. And I've thought about everything he's said. Having done so, I don't think Halifax mis-sold the packaged account to him. So I don't think that it owes him any money.

my final decision

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

Under the rules of the Financial Ombudsman Service, I am required to ask Mr C to accept or reject my decision before 3 November 2016.

Jeshen Narayanan
ombudsman