

complaint

Mr W has complained that HSBC Bank Plc mis-sold an HSBC Plus packaged bank account to him in 2006. The account was later rebranded to an HSBC Advance account. Mr W paid a monthly fee for the account which offered several benefits in return. He switched his packaged account to a fee free account in 2015.

Mr W has used a claims management company (CMC) to bring his complaint to us.

background

One of our adjudicators has looked into Mr W's complaint already. The adjudicator didn't think that HSBC mis-sold the packaged account to Mr W and didn't recommend that HSBC should pay him any compensation. Mr W and the CMC didn't agree 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 is 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 decide what to do about Mr W's complaint.

When Mr W and the CMC disagreed with our adjudicator and asked for an ombudsman to look into the complaint, they said

- Mr W didn't voluntary decide to upgrade his account – the account was upgraded because of the loan he took at the same time
- He didn't need any of the insurance benefits as he had better cover elsewhere
- HSBC didn't treat him fairly

Mr W also complained for the first time about the charges and fees he pays on his overdraft.

I've thoroughly reviewed Mr W's complaint and thought about these points carefully. But while I'm sorry to disappoint him, I don't think HSBC mis-sold him the packaged account. I'll explain why.

Mr W took the packaged bank account by switching from a free account which he'd held for several years. Mr W says the packaged account was sold during a meeting about a loan. He says that he took the upgrade because HSBC made it seem like it was a condition of the loan being granted. I don't know what Mr W was told when he upgraded his account. It's possible that there was some discussion of the loan as the Plus account provided a preferential interest rate on loans – a benefit not available with a loan on a fee free account. But I can't see that Mr W applied for a loan at this time.

From what I've seen, Mr W applied for a loan in 2007, a year after the upgrade, and again in 2009. So in the overall context of everything I've been told happened at the time, I don't think that Mr W took the Plus account because he was told this was the only way for him to get a loan or that it came with the loan. I think it's more likely that Mr W was given a choice on whether to take out the Plus account. And he chose to upgrade because he thought the combination of benefits it offered might prove useful to him - especially since it was offered at a reduced cost for the first six months.

Mr W has told us that he was advised to upgrade his account. But I haven't seen any persuasive evidence to suggest that HSBC asked detailed questions about his circumstances, or gave him a tailored recommendation. So I don't think HSBC did advise Mr W to take the packaged account. This means it didn't have to check if the account was suitable for him. It was up to Mr W to decide if the account was right for him considering what it offered and his circumstances at the time, including any insurance he already had.

But HSBC did have to give Mr W clear enough information about the packaged account for him to decide whether it was right for him. I can't be certain of what was said, but I think HSBC probably did tell him about the main benefits of the account because those would've made it more attractive to him as a new customer.

I note that Mr W had an overdraft in place when he upgraded his account. The Plus account provided a minimum 2% discount on the interest rate that would normally apply. As Mr W regularly made use of his overdraft, before and after the upgrade, I think it's likely he was also attracted to the account for this preferential rate. I've also seen evidence that Mr W had a savings account and an investment savings account with HSBC. The Plus account provided preferential rates for these accounts too.

It's possible that HSBC didn't tell Mr W everything it should've about the packaged account. But I haven't seen anything which persuades me that Mr W wouldn't have still taken the account even if HSBC had told him everything. This is because, as I mention above, I'm satisfied he chose to take the account and there isn't anything about his circumstances which meant that he couldn't have relied on the benefits of the Plus account.

Mr W has said that he didn't need the benefits offered by the packaged account and had other cover. But I note that when he took the packaged account, benefits like mobile phone insurance and car breakdown cover weren't available. And while I accept that Mr W may not have been interested in all the benefits of the account a customer doesn't have to find all the benefits useful to be attracted to the account as a package. Mr W may not have used all of the benefits of the packaged account, and he may now feel that it hasn't been good value for money, but that is with the benefit of hindsight – and it doesn't mean that the account was mis-sold.

I want to reassure Mr W that I have looked at all the information I have about his complaint. Having done so I don't think HSBC mis-sold the packaged account to him.

I can't see that Mr W has complained to HSBC about the charges and fees on his overdraft. So I'm not able to comment on this issue. But if he remains dissatisfied about these charges, he should contact HSBC directly.

my final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 30 December 2015.

Jennifer Wood
ombudsman