

complaint

Mr K has complained that HSBC Bank Plc ("HSBC") mis-sold a HSBC Plus (known as a HSBC Advance since 2010) packaged bank account to him in 2006. He paid a monthly fee for the account and received several benefits in return.

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

background

One of our adjudicators has looked into Mr K's complaint already. The adjudicator didn't think that HSBC mis-sold the packaged account to Mr K and didn't recommend that HSBC should pay him any compensation. The CMC didn't accept this recommendation 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 have explained how we handle complaints about packaged bank accounts on our website. I have used this approach to decide what to do about Mr K's complaint. I agree with our adjudicator that HSBC didn't mis-sell the packaged account to Mr K and doesn't owe him any compensation. I'll explain my reasons below.

When the CMC disagreed with our adjudicator and asked for an ombudsman to look into the complaint, it didn't tell us much about why it thought the adjudicator may have been wrong. But in fairness to Mr K, I have looked again at the entire complaint including the adjudicator's recommendation.

I think it would be helpful to first set out how Mr K's account changed during the time he held it. HSBC has said Mr K opened a fee free account with it in 2003, with its earliest records in 2005 showing it as a fee free account. In June 2006, during a meeting, he upgraded to a Plus account. This was a packaged bank account, offering benefits such as worldwide travel insurance and preferential interest rates, among others. There was a monthly fee for this account.

In 2014 HSBC rebranded the Plus account to the Advance account. This account only offered banking benefits and didn't charge a monthly fee, but customers had to pay in a certain amount each month to qualify for it. Plus account customers were also transferred onto the Insurance Aspects package, which offered worldwide travel insurance, mobile phone insurance and breakdown cover for a monthly fee. So since 2014, Mr K has been paying for this insurance package, rather than the Advance account.

Mr K has told us that he was new to the country and didn't know that you could have a fee free bank account. But as outlined above, HSBC has told us that Mr K took the packaged bank account by switching from a free account which he had held for some time. I have not seen any persuasive evidence that Mr K thought he could no longer have the fee free account. HSBC has also told us Mr K was given a discounted account fee for the first six months. So I think it is likely a conversation took place about the account. Overall, I think that it's likely HSBC gave Mr K a fair choice to take the packaged account or keep the free one.

Whilst I understand Mr K has said HSBC recommended the packaged bank account to him, HSBC has said that it didn't. Looking at the information, I haven't seen enough evidence to persuade me that HSBC made a detailed assessment of Mr K's circumstances or tailored a recommendation. So I don't think that it recommended the packaged account to Mr K. Therefore, HSBC didn't have to check if the account was suitable for him. It was up to Mr K to decide if the account was right for him, taking into consideration his circumstances at the time.

HSBC had to give Mr K enough clear information about the packaged account for him to decide if he wanted it. The adjudicator has said Mr K said he didn't use any of the benefits, but there is nothing to say he couldn't have relied on them. I don't know what attracted Mr K to the account. But I can see that he went on to take out a savings account shortly after taking out the HSBC Plus account that offered him preferential rates due to holding the account. HSBC has also shown us that in later years Mr K did benefit from fee free cash machine withdrawals whilst overseas.

In looking at the travel insurance, I can see that Mr K has only said that he never travelled outside of Europe when he took the bank account. But packaged bank accounts are rarely tailor made, so it's possible that a consumer may not find some of the benefits useful. Despite this, I see no reason why Mr K would've been unable to use the insurance for European travel. I would add the fact that he didn't travel worldwide doesn't mean HSBC mis-sold the account.

I note that Mr K has said that he had breakdown cover elsewhere. However, this was not a benefit of the account when Mr K took it out and therefore, I don't think it would've affected his decision.

It's possible that HSBC didn't tell Mr K everything it should have about the packaged account. But I haven't seen anything to make me think that Mr K would not still have taken the account even if HSBC had told him everything.

I want to reassure Mr K 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 don't think it owes him any money.

my final decision

For the reasons given above, I don't uphold Mr K's complaint about HSBC Bank plc.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr K to accept or reject my decision before 8 April 2016.

Donna Parsons
ombudsman