

## **complaint**

Mr W has complained that Bank of Scotland plc (trading as “Halifax”) mis-sold an Ultimate Reward Current Account (“URCA”) packaged bank account to him in 2012.

Mr W has used a Claims Management Company (“CMC”) to make his complaint.

## **background**

One of our adjudicators has looked into Mr W’s complaint already and she didn’t think that Halifax mis-sold the packaged account. The CMC 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 W’s complaint.

Having carefully thought about everything provided, I don’t think that Halifax mis-sold the packaged account to Mr W. And so it doesn’t owe him any compensation. I’d like to explain why.

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

It looks like Mr W upgraded to the URCA from a fee free one that he’d had for a substantial number of years. So I think that he would’ve known that Halifax did fee free account. And I don’t think he needed to be offered one again to know this. I’ve seen that the CMC’s said Mr W felt he had to upgrade. But just because he was offered the account this doesn’t mean that he had to take it. And I’ve not seen enough here to be able to say that Mr W was left in a position where he had no choice other than to upgrade. So having thought about everything, I think it’s most likely that Mr W was offered a clear choice on upgrading to the URCA. And I think that he most likely chose to do so as he was interested in the benefits included.

As I’ve found that Mr W most likely agreed to the URCA, the crucial question I now need to think about is whether he could’ve used the benefits – not whether hindsight shows that the account hasn’t proved value for money.

The CMC says that the URCA was recommended to Mr W. Halifax says it wasn’t. The CMC appears to be saying that the account was recommended to Mr W because Halifax took the opportunity to offer it to him while he was in branch for something else. But a bank can offer a product to a customer without recommending it. And by its own admission the CMC says that Halifax didn’t carry out any kind of suitability assessment, which is what would’ve happened 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 W. And so it didn’t have to check

whether it was a reasonable fit for him. This means that it was up to Mr W to decide whether the account was right for him. But Halifax did have to give him clear enough information to do this.

At the time the URCA was sold, some of the main benefits it included were mobile phone insurance and preferential overdraft terms. Mr W registered a handset for the mobile phone insurance shortly after taking the account. The CMC has said that it's unfair to take this into account because Mr W no longer recalls this and he hasn't made a claim on the policy. But I can't disregard the documentary information provided simply because Mr W no longer recalls registering a handset. And not making a claim on the policy doesn't mean that Mr W didn't rely on it, he had no need for it, or that he didn't find having it useful.

Having looked at Mr W's account statements it looks like he had an overdraft with an agreed limit of £150. Halifax's fee free account holders had to pay a £1 a day usage fee to use an agreed overdraft. But URCA holders didn't have to pay the £1 a day usage fee as long as they stayed within the both the URCA account limit and their agreed overdraft limit. Mr W's agreed limit meant that he wouldn't pay anything to use his overdraft as long as he didn't go over his limit. Mr W's statements show that he paid significant amount in overdraft usage fees in the months leading up to the upgrade. So I think that it's somewhat disingenuous of the CMC to suggest that Mr W had absolutely no need for the overdraft benefits even though he may not have used his overdraft as much afterwards. I also think that paying £15 a month to use his overdraft, rather than the £31 a month he had been paying is likely to have been appealing to him.

Mr W also drove and owned a car and travelled. So I've seen no obvious reason why he couldn't have used the breakdown cover and travel insurance. I've seen what the CMC has said about Mr W already having this cover as well as mobile phone insurance elsewhere. I don't know if he did because the CMC hasn't provided anything at all to support this – and Mr W's registration of a handset for the mobile phone insurance actually appears to contradict this. But, in any event, I think that Mr W would've seen that the account came with travel insurance, mobile phone insurance and breakdown cover. And I can't hold Halifax responsible if he chose to buy cover elsewhere instead of relying on what the account included. So I can't say that the account was mis-sold simply because Mr W may have decided to buy cover elsewhere.

The account also included home emergency cover. And as Mr W appears to have been a homeowner at the time, I see no reason why he couldn't have used this cover, or any obvious reason why he wouldn't have been able to claim on it should the need have arisen.

Overall everything I've seen suggests that Mr W did use some of the benefits of the URCA and he was eligible for and could've used some of the others too. As this is the case, I think it's most likely that he received enough information for him to know what it was he was agreeing to.

Mr W may now, with the benefit of hindsight, think that he shouldn't have taken this account. And given what he might've read or heard about packaged accounts in general and what his CMC's most likely told him, I can to some extent understand why this might now lead him to believe his account might have been mis-sold. But I think it's likely that Mr W chose the URCA knowing what it included. And while he may now believe that the account hasn't proved value for money, I don't think that this means it was mis-sold.

I want to reassure Mr W that I've looked at all the information provided about his complaint. And I've thought about everything he and his CMC have 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 W's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr W to accept or reject my decision before 6 October 2016.

Jeshen Narayanan  
**ombudsman**