

complaint

Mr R held a fee-free account with HSBC Bank Plc for many years before upgrading his account to a HSBC Plus account in October 2006. The account came with a package of benefits and, in return, Mr R paid a monthly fee. Mr R has complained that the account was mis-sold to him.

background

The HSBC Plus was rebranded as a HSBC Advance account in February 2010. In November 2014 the account was changed again. The insurance elements of the Advance account were hived off and branded as the "Insurance Aspects" package. Customers who wanted this paid £9.95 per month.

Mr R says that it was only when Insurance Aspects was introduced that he understood he had been paying for insurance products all along as part of his packaged account. He says he knew he'd been paying a monthly fee for the banking benefits (preferential rates on overdraft, loans and so forth) that were part of the package but that he'd been told the insurance benefits were free extras. He says he now realises this wasn't the case and he is unhappy about it. He says he wouldn't have taken the package if he'd known this.

HSBC say that Mr R would have been told everything he needed to know to make his decision about whether or not to upgrade to the HSBC Plus. They say he would also have been sent numerous updates about the account over the years from which it would have been plain to him that insurances were included in the package. They say that if this had come as a surprise to him they would have expected him to query it before now but he didn't.

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 set out our general approach to complaints about packaged bank accounts on our website and I have taken this into account when considering Mr R's complaint. Having done so, I've decided not to uphold it. I've explained my reasons below.

HSBC have provided evidence that Mr R got a significant overdraft facility at the time he upgraded his account to the HSBC Plus. They say that when he made use of the overdraft he got it at a preferential rate because this was one of the features of the Plus account. He later went on to take out a loan that came with a repayment reward, again because this was one of the Plus' features. I'm satisfied that Mr R got these banking benefits and I think they were likely to have been the main reason Mr R upgraded his account. He may well have thought of the insurance benefits as an added bonus that could come in handy in time but I accept that they weren't his primary motivation for upgrading.

However, I'm satisfied Mr R knew the insurances came with the package when he upgraded and that he knew he was paying for the package. I know he has come to think of the insurance element differently – no longer as a free extra but as something he didn't need and therefore didn't want to, and shouldn't have had to, pay for. But this is just a change in Mr R's viewpoint. I don't think he has discovered anything he didn't already know from the time he chose to upgrade. And Mr R's new viewpoint of the situation is not a reason for me to uphold his complaint.

I appreciate that there may have been some benefits on the account that Mr R didn't want or use. But packaged bank accounts are rarely tailored to the individual so it's unlikely that every customer will find every benefit useful. It was for Mr R to decide whether the benefits, as a whole package, were attractive to him. Consumers may have been attracted to a packaged bank account even if they didn't intend to use every benefit.

When HSBC sold the Plus account to Mr R, they should have given him good enough information so that he could decide whether or not he wanted or needed it. I don't know if they did do enough in this regard so I'm open to the possibility that they didn't. But even if there were problems with the information that HSBC gave Mr R, I don't think he has lost out because of it. I say this because I haven't seen any persuasive evidence that Mr R wouldn't have taken the HSBC Plus if he'd been told everything he should have been told.

I therefore do not uphold this complaint.

my final decision

For the reasons I've explained, I do not uphold this complaint and I make no award against HSBC Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 5 November 2015.

E J Mc Allister
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