

complaint

Mr O has complained that Bank of Scotland plc (trading as “Halifax”) mis-sold an Ultimate Reward Current Account (“URCA”) packaged bank account to him in 2007.

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

background

One of our adjudicators has looked into Mr O’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 O’s complaint.

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

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

It looks like Mr O upgraded to the URCA from a fee free one that he’d had for over a year. So I think that he would’ve known that Halifax did fee free accounts. And I don’t think he needed to be offered one again to know this. I’m also not persuaded by the CMC’s argument that Mr O didn’t know he had a choice. Indeed just because Mr O was offered the account this doesn’t mean that he had to take it. So having thought about everything, I think it’s most likely that Mr O 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 O 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 O. Halifax says it wasn’t. The CMC appears to be saying that the account was recommended to Mr O 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 O. And so it didn’t have to check whether it was a reasonable fit for him. This means that it was up to Mr O 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, travel insurance and breakdown cover. Mr O registered a handset for the mobile phone insurance – albeit sometime after taking the account. The CMC has said that it's unfair to take this into account because Mr O was told he had to register a handset for the cover. I'm unsure of the point it's making here as the business had to tell Mr O how to use the benefits. So Halifax was doing what it needed to if it told Mr O to register the handset. And I think it's fair to say that Mr O relied on the mobile phone insurance and found having it useful.

Mr O 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 O 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 O's registration of a handset for the mobile phone insurance actually appears to contradict this. Indeed it looks like the CMC thinks it doesn't have to carry out any sort of investigation into why it thinks an account was mis-sold and that it can instead make a series of unsubstantiated allegations for a complaint to be upheld.

But, in any event, I think that Mr O 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 O may have decided to buy cover elsewhere.

Overall everything I've seen suggests that Mr O 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.

I've seen the point that the CMC's made about Mr O not being told about the account fee. But it has also said that Mr O knew nothing about this being a packaged account and he thought that it was a basic account. Yet this doesn't explain how he went register a handset for the mobile phone insurance, which clearly wasn't a benefit on his previous account and which the CMC's saying he was paying for already. So I don't think that there was any reasonable basis for Mr O believing he didn't have to pay for the account. Indeed I note that he still has it now – some six months since he made his initial complaint. It's also interesting to note that the CMC has said that these are recollections Mr O provided *after* Halifax had issued its final response. So this suggests that the CMC made an initial complaint to Halifax *without* asking Mr O what actually happened at the time. Given the difference in the version of events that I've been presented with, I'm afraid that I can't uphold the complaint on the basis of what I've been told are Mr O's recollections.

Mr O 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 he was probably contacted by his CMC telling him to complain, 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 O 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.

So I want to reassure Mr O that I've independently looked at all the information provided about his complaint. And I've given careful thought to whether his account was mis-sold, despite the inaccurate, inconsistent and ill thought-out submissions made by his CMC. Having done so, and while I appreciate that this will be disappointing for him, I don't think that Halifax mis-sold the packaged account to him. So I don't think it owes Mr O any money.

my final decision

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

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

Jeshen Narayanan
ombudsman