

complaint

Mrs G complains that HSBC Bank plc ("HSBC") mis-sold her an HSBC Plus packaged bank account in 2009. The account was later rebranded as HSBC Advance. She paid a monthly fee for the account, which offers several benefits in return.

Mrs G's used a claims management company (CMC) to bring her complaint to us.

background

I issued my provisional decision on 4 September 2015. I've attached a copy of my provisional decision and it forms part of my final decision. In my provisional decision, I explained the reasons why I didn't think Mrs G's complaint should be upheld.

I asked both Mrs G and HSBC to send me any more evidence or arguments they wanted me to look at.

HSBC said it didn't have anything more to add.

The CMC disagreed with my provisional decision. It asked for evidence that Mrs G's overdraft review took place before she upgraded her account, as its evidence showed otherwise. It said Mrs G was told the savings she'd make by having the account would be significantly more than the cost of it, which is why she went ahead with the upgrade. It also maintained she'd be told the overdraft wouldn't be approved if she didn't take the account. It asked for evidence of this as it didn't think I could assume Mrs G would've made a significant saving. It thought it should've been obligatory for the adviser to give a representative savings level to Mrs G when the account was sold, so she could decide herself if a saving would be made. It said there's no evidence of this, so Mrs G was unable to make an informed choice.

An adjudicator explained to the CMC that we wouldn't be able to send it evidence showing that the representative had given Mrs G a representative savings level when the account was sold. The CMC then told us it would like me to consider that there was nothing of interest to Mrs G and it thinks she wouldn't have taken the account unless she'd been given some wrong information.

my findings

I've reconsidered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. While I'm sorry to disappoint Mrs G, I've decided not to uphold it.

HSBC has told us the overdraft review happened a few days before the upgrade happened. It's sent us a letter showing the outcome of that review and showing Mrs G's agreed overdraft. While the letter isn't dated, HSBC has told us this letter was sent before the upgrade happened. It's possible Mrs G was told she couldn't keep her existing overdraft without taking the Plus account. And that the review happened *after* the upgrade. But I have to consider what the CMC and Mrs G have said in the context of everything else I've seen.

I've carefully read the terms and conditions that are outlined in the overdraft review letter. There's nothing to say Mrs G could only have the overdraft if she took a packaged account. She's told us she can't remember how the account was sold to her, so it seems her memories about what was discussed and when might've faded over time. And she'd also

had an overdraft for about six years at the time of the upgrade, without needing to pay for an account to get one. She hasn't given us any detailed recollections about why she thought this now wasn't the case. Overall, I haven't seen enough to make me think HSBC didn't give her a fair choice about whether or not to take the HSBC Plus account.

As I explained in my provisional decision, it's possible Mrs G might've paid more in account fees than she's saved through having the packaged bank account. And I can understand she might now feel the account wasn't good value for money for her. But I wouldn't expect HSBC to be able to accurately tell her what her savings might be at the point of sale. I'd expect it to explain to Mrs G what the main account features and benefits were, including any preferential rates she'd get through having it.

But it couldn't have known how long Mrs G would keep the account, meaning it couldn't know what fees she'd end up paying. It couldn't know how much she'd use her overdraft, so what potential savings she'd make through having a preferential interest rate. Or what she'd put into or take out of her savings account. It also couldn't have known whether she'd take out any loans in the future so what potential other interest savings she might make. And it couldn't have known whether its own interest rates would change over time. So I wouldn't expect it to be able to send me any evidence to show me such a discussion had happened. Having looked at everything, there isn't enough to suggest Mrs G only upgraded because she was told she'd save more than she'd pay. And I also note this isn't a point Mrs G made in our questionnaire when she brought her complaint to us.

The CMC says Mrs G wouldn't have upgraded unless HSBC gave her some wrong information. This just isn't enough for me to say that anything went significantly wrong. As I said in my provisional decision, I think it's most likely HSBC told Mrs G about the features and benefits she'd be getting in return for the monthly fee. And that she was attracted to enough of them that she decided to upgrade her account. As I've explained, I think these are likely to have been the preferential overdraft interest rates and savings interest rate. And as Mrs G told us she didn't keep the breakdown cover she already had, I think she probably wanted the breakdown cover that came with the account.

Overall, I don't think HSBC mis-sold the account to Mrs G. And so I'm not telling it to pay her any money.

my final decision

For the reasons I've given above and in my provisional decision, I don't uphold Mrs G's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 9 November 2015.

Lisa Barham
ombudsman

copy of provisional decision

complaint

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Mrs G's used a claims management company (CMC) to bring her complaint to us.

background

An adjudicator has already looked into Mrs G's complaint. She didn't think that HSBC mis-sold the packaged account to Mrs G. The CMC didn't accept this view and asked for an ombudsman's decision.

my provisional 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. I've used this approach to help me decide Mrs G's complaint.

When the CMC disagreed with our adjudicator, it set out its reasons. It said Mrs G maintains she was told she had to upgrade to keep her existing overdraft. It thought the overdraft review and upgrade happened on the same day, so it believed this confirmed Mrs G's version of events. It added that Mrs G wouldn't have upgraded if she'd known it was optional and if the account benefits had been made clear. We couldn't provide evidence of exactly how much Mrs G had saved through the preferential rates that came with the account. So it thought there wasn't enough evidence to show the account had been suitable or cost effective for Mrs G. And it said Mrs G already had travel insurance and mobile insurance in place.

I've thought very carefully about what Mrs G and the CMC have told us. But I don't currently think the adjudicator was wrong. I'll explain why.

- Mrs G had a free account with HSBC for several years before she upgraded. And that free account had an overdraft attached to it. So I think Mrs G knew she didn't need to take the Plus account to get an overdraft. As the adjudicator explained, HSBC told us an overdraft review took place a few days *before* Mrs G upgraded her account. And the overdraft limit was set at that point for another 12 months. There's no mention in the letter HSBC's told us was sent to her confirming her agreed overdraft that Mrs G would need to take a packaged account to keep it.

It's possible Mrs G might've thought she had to take the HSBC Plus account to keep her overdraft. But given it had been agreed before she decided to upgrade her account, I think it's most likely Mrs G knew she didn't have to upgrade to keep the overdraft in place. So I think she chose to upgrade because she was attracted to some of the benefits it offered her.

One of the account benefits was a preferential overdraft interest rate. From what I've seen, Mrs G was making use of her overdraft around the time of the upgrade and afterwards. So I think this benefit would've been useful to her. And it also offered a preferential interest rate on its saver account. When Mrs G upgraded, she had a saver account which had some money in it. So I think the preferential savings rate might've also been attractive to her.

The CMC said Mrs G already had breakdown insurance when she upgraded. But she's told us she cancelled her standalone cover after the upgrade. So it looks like she wanted the breakdown cover that came with the account and was relying on it.

Overall, I think HSBC gave Mrs G a fair choice about whether or not to upgrade her account.

- Mrs G said she can't remember if HSBC advised her to upgrade. HSBC says it didn't. I haven't seen enough to make me think HSBC assessed her needs or gave her a tailored recommendation. So I don't think it recommended the insurance benefits that came with the account. This means it didn't need to check they were suitable for her. It was up to Mrs G to decide if the account was right for her.
- HSBC had to give Mrs G enough clear information so she could decide if she wanted the account. I think it's most likely the representative explained the main features and benefits of the account to her, as this would've made it seem more attractive to her. And I think it's likely the representative told her about the monthly fee to get those benefits. Mrs G said she had a pre-existing medical condition at the time of upgrade. It's possible HSBC didn't tell her she'd need to call the travel insurer to check if her condition could be covered. But Mrs G's told us she took out standalone travel insurance for her holidays. So it doesn't look like she was relying on this cover or that it was one of the benefits she was attracted to. And I don't think it would've made a difference to her decision to upgrade her account even if HSBC didn't give her clear enough information. Overall, I haven't seen enough to suggest Mrs G wouldn't have upgraded even if HSBC had told her everything it should've about the account.
- HSBC's told us Mrs G got preferential rates on her overdraft and her savings. It's possible the savings she made could've been less than the fees she's paid to have the account. But I don't think HSBC's representative could've predicted at the time how much Mrs G would use her overdraft, or what her total savings might be. Or how much she'd pay into the saver and how much extra interest she'd be paid. So even if Mrs G has paid more than she's saved, I don't think this means HSBC mis-sold the account.
- The CMC's also said Mrs G already had mobile insurance. But this wasn't a benefit of the HSBC Plus account. So I don't think it made a difference to her decision.

I'd like to reassure Mrs G and the CMC that I've looked carefully at everything they've sent me. But I don't currently think HSBC mis-sold Mrs G the account. So I don't plan to make it pay her any money.

my provisional decision

For the reasons I've explained, my provisional decision is that I don't plan to uphold Mrs G's complaint.

Lisa Barham
ombudsman