

complaint

Miss W has complained that Bank of Scotland plc (trading as Halifax) mis-sold an Ultimate Reward Current Account (URCA) to her in 2010. She paid a monthly fee for the account which offered several benefits in return.

Miss W has used a claims management company (CMC) to help bring her complaint to us.

background

Our adjudicator looked into Miss W's complaint and didn't think that Halifax had mis-sold the URCA to her. But he found that there may have been some information failings by Halifax in relation to the need to register a mobile phone for mobile phone insurance – one of the benefits on the account. But the adjudicator didn't think any better information would've led to Miss W not taking the URCA. So he recommended the complaint should be partially upheld and asked Halifax to pay Miss W £50 in recognition of the information failing.

Ultimately, neither Halifax nor Miss W has accepted this recommendation. Both parties have asked for an ombudsman to look at the complaint and decide the outcome.

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 explained how we handle complaints about packaged bank accounts on our website. I have used this approach to help me decide what to do about Miss W's complaint.

Having thought carefully about all the points that have been made and the rest of the evidence, I've decided to uphold Miss W's complaint in part only. Let me explain why.

Miss W has told us she doesn't recall a conversation about upgrading her account or the benefits and terms and conditions being discussed with her. But both Miss W and Halifax have confirmed that the account was upgraded on-line. So it's not surprising that Miss W doesn't recall a conversation about the upgrade. But as she upgraded – without the intervention of Halifax staff, and by switching from a fee free account she'd held for a few years, I think it's most likely she agreed to upgrade her account. And that she was aware she had a choice about whether to have the URCA or keep her free one instead.

As the upgrade was completed on-line, I don't think the sale of the URCA was recommended to Miss W. This means Halifax didn't have to check if the account was suitable for her. It was for Miss W to decide if the account was right for her bearing in mind her circumstances at the time – which includes taking into account any existing insurance policies she may have already had in place.

But Halifax did have to give Miss W enough clear information about the URCA for her to decide if she wanted it. And that's what I have considered here. Miss W has said she doesn't remember much about the sale and doesn't recall using any of the benefits. On this point, I think it's most likely that the Halifax's on-line process would've highlighted the main benefits of the account because those would have made it more attractive to her. And Halifax has shown that Miss W made a successful claim on the car breakdown cover, made an enquiry about the travel insurance and claimed on the mobile phone insurance.

This suggests to me Halifax did enough to make Miss W aware of the key benefits of the account. And I think she would've known enough about the benefits to know which of them duplicated cover she may have held elsewhere. Miss W may not have needed all the benefits that came with the account but this doesn't mean the account was mis-sold. Packaged bank accounts are rarely tailored to individual consumers. But I think there were some benefits which Miss W did find useful enough to justify paying a fee for the account.

I accept it's possible Halifax didn't tell Miss W everything it should have about the packaged account. And Halifax hasn't shown that it made it sufficiently clear to Miss W that she needed to register her mobile phone for the mobile phone insurance. As a result, Miss W didn't register her phone and so her claim was initially declined. But from what Halifax has said it seems that when Miss W made the claim it did attempt to help her. But it says Miss W didn't provide the information it asked for. The adjudicator acknowledged that Halifax had tried to find a solution to resolve the problem of the phone not being registered. But he felt that had the need to register the phone been made clear at the point of sale, Miss W's claim would've been resolved quickly. He suggested that Halifax should pay Miss W £50 in recognition of this. Neither party accepted this recommendation. But overall I think it's fair. I don't think Halifax made it clear that Miss W needed to register her mobile phone because if it had I think she would've done so. But I haven't seen anything to convince me that Miss W wouldn't still have taken the account even if Halifax had told her everything.

I'd like to reassure Miss W that I've looked at everything the CMC has sent me – including what's been said about Halifax not downgrading the account when asked. But I haven't seen any persuasive evidence that would make me think that Miss W made a specific request to downgrade the account. I also appreciate that looking back Miss W might now feel the URCA hasn't been good value for money. But overall, I haven't seen enough to suggest Halifax should refund the account fees to her.

my final decision

For the reasons set out above, I uphold this complaint in part. To the extent that Bank of Scotland plc should pay Miss W £50 in recognition of the problems she experienced as a result of its failure to give her information about the need to register her phone. But I don't uphold Miss W's complaint about the mis-sale of the URCA.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 11 April 2016.

Sandra Greene
ombudsman