

complaint

Miss L has complained that Bank of Scotland plc (BOS) mis-sold her an ultimate reward packaged bank account (PBA).

background

Miss L's account was upgraded to an ultimate reward account in November 2008. The account offered a number of benefits for a monthly fee. Our adjudicator didn't uphold Miss L's complaint. In essence she thought that Miss L was attracted to the benefits the PBA provided. Miss L's representative didn't agree and asked for the case to be reviewed by an ombudsman.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I think the relevant issues to take into account are the same as those set out on our website about our approach to complaints about packaged bank accounts. I've decided not to uphold this complaint.

The first thing I've thought about is whether Miss L was aware that she had a choice about taking out the account. It looks like Miss L had previously held a fee free bank account. I think it's likely that she knew she could've continued with her previous account if she wanted to.

Although Miss L says BOS advised her to take the account, from what she tells us it doesn't sound as though BOS gave her personalised advice or made a recommendation tailored to her circumstances about the benefits on the account. So BOS didn't have to assess whether the account was suitable or affordable for her. But it still had to provide enough information to enable Miss L to make an informed choice about whether she wanted to upgrade her account.

I don't know what Miss L would've been told when the account was sold. It's possible that detailed information about the PBA was only sent after it had been sold to her. So I accept that Miss L might not have had all of the information she needed when she agreed to take out the account. But I don't think this would necessarily have made a difference to her decision to take it out. From what I've seen I think it's likely she understood that it offered a package of benefits. I think it's likely that she was told about the benefits the account provided as this would have made it more attractive given that a fee was charged for the account. And it appears that Miss L was able to use one of the main benefits provided by the ultimate reward current account.

Before she took out the PBA she had an overdraft facility of £200. Miss L's representative says that she was given the impression at the time of the upgrade that the ultimate reward PBA came with an overdraft limit of £1,000. I accept that this is Miss L's honest recollection of what she was told. But I also have to consider the other available evidence. Miss L increased her overdraft limit on a number of occasions and was sent a number of letters after her overdraft limit was increased. These set out the fees charged for overdrafts for the PBA. If Miss L had been told when she took out the PBA that it provided a preferential £1,000 overdraft facility; I would have expected her to have questioned this when her overdraft limit was increased. I simply don't have enough evidence to decide that Miss L was led to believe that the account came with a preferential £1,000 overdraft limit.

BOS has told us that it hasn't been able to search for telephone calls from the time of the upgrade or subsequent to it. And that due to the passage of time it doesn't have any information about how the overdraft applications were made. So I've thought about the evidence I do have.

Looking at Miss L's bank statements, prior to the upgrade it looks like Miss L's overdraft never exceeded £300. The maximum seems to have been £299. And her account was regularly in credit by way of several hundred pounds each month. So there's nothing that suggests to me that that she shouldn't have an overdraft or that she couldn't afford to have one. And her account seems to have been similarly in credit after the upgrade. And there is nothing in the way her account was subsequently managed which suggests to me that she couldn't afford the changes in her overdraft limit.

The PBA provided a fee free overdraft facility of up to £300. And it appears that Miss L's account had been overdrawn around the time the account was upgraded. In the year following the upgrade I see that Miss L went on to use her overdraft regularly – usually keeping it within the £300 fee free limit. So I think it was the preferential overdraft facility which attracted Miss L to the account. I believe she was aware of the limits of the preferential overdraft facility that the PBA provided. And she appears to have managed her account carefully in line with her overdraft limits.

Although Miss L's representative has said that she didn't need the insurances the PBA provided, it looks like from what BOS has told us that she used the mobile phone cover the account provided. BOS has said that Miss L registered a mobile phone in July 2009 with its benefits provider. Miss L appears to have already had mobile phone and travel insurance but doesn't recall registering her phone. On balance I don't have any reason in this case not to believe what BOS has told us about Miss L registering her mobile phone.

It also looks like Miss L went on holiday. So it's possible that the travel insurance might also have been of interest to her. If Miss L had existing cover that was duplicated by the PBA it was up to her to decide whether or not to continue with that existing cover.

Packaged accounts are rarely tailored to the individual, so it's unlikely that she would've found every benefit useful. It may still have appealed to Miss L even if she didn't intend using every benefit.

my final decision

For the reasons I've given, I've decided not to uphold Miss L's complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 12 November 2015.

Simon Dibble
ombudsman