

The complaint

Ms R has complained that Bank of Scotland PLC (“Halifax”) mis-sold her fee-paying Ultimate Reward Current Accounts (URCA) in 2016 and 2019.

Ms R has given a number of reasons why she says that they were mis-sold, these include that she was being charged £17 per month for “nothing” and Ms R says she didn’t use or need any of the benefits provided by the account, so she would like a refund of the account fees.

What happened

Halifax said that Ms R had complained too late about the sale of the URCA sold in 2016, but it agreed our service could consider the complaint about the URCA sold in 2019.

One of our adjudicators assessed the complaint and they also concluded that our service couldn’t consider Ms R’s complaint about the sale of the URCA in 2016. That was because the complaint about that sale had been raised outside of the time limits that apply when using our service.

Ms R agreed with the adjudicator’s assessment, so the adjudicator then went on to assess whether the URCA sold in 2019 was mis-sold, but they concluded that it hadn’t been.

Ms R disagreed with the adjudicator’s assessment, so the matter was referred for an ombudsman’s decision.

What I’ve decided – and why

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 our approach to complaints about packaged accounts on our website, and I’ve used that to help me decide this complaint. And having considered everything, I’m unable to uphold this complaint. I will explain why.

Prior to Ms R upgrading her account to an URCA (again) in 2019, Ms R held a fee-free account. And I can see that Ms R had previously downgraded her account from being a fee-paying URCA to a fee-free account in March 2017.

As such, I’m satisfied that when Ms R applied for the URCA in 2019, she was fully aware that fee-free accounts were available to her and that there was no obligation to have a fee-paying account, if she didn’t want one. I’m also satisfied that Ms R knew that she could downgrade her account (again) to a fee-free account at any time. As such, I think that Ms R was given a fair choice when she chose to upgrade her account again to an URCA in 2019.

Ms R says that Halifax told her that the URCA was a good account. But Halifax has provided evidence to show that the upgrade did not take place in branch and that Ms R applied for the URCA herself, online. So in the circumstances, although I think it’s possible that Ms R may’ve had a general conversation about the URCA during a branch visit, I’m unable to say that the upgrade process was done on an advised or recommended basis.

This means Halifax was not required to check whether the URCA was appropriate for Ms R during the sales process. Instead, it was up to Ms R to determine this for herself. But to help

her do this, Halifax was required to provide Ms R with the important information about the account, so that she understood how much it cost and what it came with – as well as any important terms or restrictions that apply to the insurance benefits.

Halifax has explained that its online sales process would've explained the account benefits, the monthly cost and highlighted key exclusions and provided the terms and conditions of the URCA.

I've had a look at an archived version of Halifax's website from October 2019, to gain an understanding of what Ms R would likely have seen when applying for the account. From what I can see it was made very clear what benefits (both insurance and non-insurance benefits) were included with the account. This included a summary of what each product covers and also key exclusions that apply to each product. It also clearly states that the account cost £15 per month at the time. It also explains that a lower fee of £12 per month applies if £750 is paid into the account and providing there are at least two active Direct Debits on the account and the account remains in credit.

As such, based on what I have seen, I think that Ms R was given enough information to know what benefits were included with the account, what the key exclusions were and how much it would cost her if she chose to upgrade. I also think it's the case that, given that Ms R had previously held the URCA in 2017, Ms R likely already had a good appreciation of what benefits were included with the URCA, when she agreed to upgrade her account again. So although Ms R says that the URCA was expensive, I think she knew how much it cost when she agreed to it.

Given all of the information that Ms R was likely presented with, I'm unable to say that Halifax had mis-sold the account. Indeed, it seems that Halifax did what it was largely required to do to ensure that Ms R was able to make an informed decision. And although Ms R may now, with the benefit of hindsight, regret her decision to upgrade to the URCA for a second time and now thinks it was poor value for money, I can't reasonably hold Halifax responsible for that in the circumstances.

My final decision

Because of the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 27 October 2023.

Thomas White
Ombudsman