

## **The complaint**

Mr and Mrs W have complained that HSBC Bank Plc ("HSBC") pressurized them into taking out an Advance package bank account. Specifically, they say that they told that they had to have the account in order to get a preferential interest rate on their mortgage.

## **What happened**

Mr and Mrs W took out an HSBC Advance Plus account in June 2009. They say that they were told that they had to have this account in order to get a preferential rate on their mortgage.

Mr and Mrs W say that they were not told during the sale that they were able to downgrade the account and keep the preferential rate, or that they could downgrade the account after the preferential rate had expired.

Our adjudicators have looked into this complaint already. They did not think that HSBC had done anything wrong in relation to this. Mr and Mrs W did not agree with this and asked for a final 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.

I will firstly address whether the Advance account was mis-sold in 2009 and then I will address whether Mr and Mrs W should have been proactively told that they could downgrade their account without it affecting their mortgage.

I should explain that Mr and Mrs W did take out a mortgage in 2009 at the time the account was taken out. That said my understanding is that whilst there were mortgages available that were exclusive to Advance account holders, the mortgage that they took out was not one that was only available to Advance account holders.

I also have looked at the mortgage offer at the time and it does not say that a condition of the mortgage was being an Advance account holder - which I would have expected it to if it were linked. So I don't think it likely that they were told in 2009 that they needed to have the Advance account in order to get a mortgage.

Some of the other benefits of the account when it was taken out were travel insurance and breakdown cover. From what Mr and Mrs W have said they did drive and did travel. So I think that these benefits could have been useful to them. This is demonstrated by the fact that Mr and Mrs W did go on to use the breakdown cover. So overall I think that Mr and Mrs W took out the account for the benefits that it came with, rather than because they thought they needed to take out the account in order to get a preferential rate on their mortgage.

When the Advance account was sold, HSBC's sales process was that no personal recommendation was made as to whether the insurance benefits of the account were appropriate for a consumer. That said, Mr and Mrs W say that a personal recommendation was made. Either way though, given that the main benefits were potentially useful to Mr and Mrs W, I don't think a personal recommendation from HSBC would have been inappropriate, even if one had been provided.

I accept that Mr and Mrs W may not have been told all of the details about all of the benefits of the account. That said, I've not seen anything about Mr and Mrs W's circumstances that makes me think being given more information would have altered their decision to take out the account. So overall I don't think that the Advance account was mis-sold in the first place.

In relation to whether Mr and Mrs W were told they could downgrade the account, I would've expected HSBC to have explained that the account could be downgraded when no longer required and I am satisfied that this would've most likely been in the documentation that they would've been provided with during the sale.

I can see that in September 2012 Mr and Mrs W did take out a mortgage with HSBC which came with special terms for Advance account holder. So I think that this may have been what they recall when they said they needed the Advance account in order to get preferential terms on a mortgage.

I would not have expected the documentation to make it explicit that Mr and Mrs W could cancel their account and keep their preferential terms for their mortgage they took out in 2012. HSBC's intention was to provide people who took out the Advance account with a number of benefits. So I would not reasonably expect the literature to point out ways in which an individual customer could use the benefits without having to pay for it.

I would expect though that if HSBC staff were asked directly about what would happen to their 2012 mortgage if Mr and Mrs W downgraded their account - they would be given the correct information. Namely, that it may lead to the withdrawal of the preferential mortgage rate if one was applicable. But it would not affect a mortgage product not linked to the Advance account. I can't see that Mr and Mrs W ever asked HSBC about this though.

I understand how frustrating this will be to Mr and Mrs W, as they clearly feel strongly about this matter. But I cannot say that HSBC did anything wrong in relation to the Advance account. Therefore, I cannot reasonably ask HSBC to refund their account fees.

### **My final decision**

For the reasons set out above, I'm not upholding Mr and Mrs W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W and Mr W to accept or reject my decision before 24 October 2023.

Charlie Newton  
**Ombudsman**