

The complaint

Mr Y has complained that Bank of Scotland Plc (“Halifax”) mis-sold him a fee-paying Ultimate Reward Current Account (URCA) in September 2013.

Mr Y says that the account was mis-sold because he was told that he could not secure a mortgage product that he’d been offered unless he upgraded his account to an URCA.

What happened

One of our adjudicators didn’t think that the URCA had been mis-sold.

Mr Y disagreed with the adjudicators 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 don’t think that the URCA was mis-sold.

Mr Y says that he applied for a mortgage product with Halifax but was told that if he wanted the specific product being offered to him, he would have to upgrade his account to an URCA. I understand that the upgrade occurred online – Mr Y says he did this following on from the advice he’d received.

Unfortunately, due to how long ago the sale of the URCA and the mortgage took place, there is limited evidence available to show what exactly was discussed with Mr Y. But Halifax has been able to provide copies of its records for Mr Y and some documents from the time. So I have considered Mr Y’s recollections of events alongside all of the other evidence to decide what I think most likely happened.

Halifax has been able to provide a copy of a mortgage offer document from 2013. In this document it says:

“FAD065 obliges you to take out or hold a Halifax/Bank of Scotland current account (minimum monthly credits £1,000) or Ultimate Reward Current Account. as a condition of this mortgage.”

Based on the above information, it appears that it was a condition of the mortgage offer that Mr Y either: held a fee-free current account - providing he credited at least £1,000 per month; or alternatively, he would have to hold a fee-paying URCA instead.

I can’t say that Halifax was being unfair or unreasonable by including such conditions in the mortgage offer. It’s not unusual for mortgage offers to include specific conditions, and ultimately, Mr Y was not obliged to accept the mortgage offer if he was unhappy with any aspect of it.

It’s not clear whether Mr Y was able to or wanted to credit at least £1,000 per month into his Halifax current account so that he could continue with a fee-free account. But overall, I think that the mortgage offer document made it reasonably clear, before the mortgage offer was

accepted, what options were available to Mr Y regarding his current account, should he wish to accept the mortgage offer. So I think that Mr Y was in all likelihood given a fair choice of whether to upgrade his account to an URCA or not.

As such, I'm unable to conclude that the URCA was mis-sold.

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 Mr Y to accept or reject my decision before 16 October 2023.

Thomas White
Ombudsman