

The complaint

Mr and Mrs M have complained that Bank of Scotland Plc (“Halifax”) mis-sold them a fee-paying Ultimate Reward Current Account “URCA” in January 2009.

They say the account was mis-sold as they were led to believe that by agreeing to the account they would pay less fees for their arranged overdraft.

What happened

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

Mr and Mrs M 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. Having considered everything, I don’t think that the URCA was mis-sold.

Mr and Mrs M say that they were told that by upgrading to the URCA, this would reduce the amount they would pay to when using their overdraft.

Around the time that the account was sold to Mr and Mrs M, the URCA cost £10 per month. In return for the monthly fee, it provided benefits such as a £300 interest free overdraft facility, travel insurance, breakdown cover, mobile phone cover and home emergency cover (amongst other benefits).

When Mr and Mrs M upgraded their account, they had a £400 arranged overdraft. So it seems that what Mr and Mrs M were told was correct - that by upgrading their account, they would pay less in overdraft interest by having the URCA, than if they had a fee-free account. This is because they would not be charged any interest on the first £300 of their overdraft.

Halifax has provided evidence to show that Mr and Mrs M claimed on the breakdown cover a number of times. It has also provided evidence that Mr and Mrs M registered two phones and made a claim on the mobile phone insurance; and called up about the home emergency cover that was included with the account too.

So taking all of the above into account, I’m not persuaded that Mr and Mrs M agreed to the account solely to reduce the amount of interest they paid when using the overdraft. Instead, the evidence indicates that Mr and Mrs M were attracted to, and able to benefit from, a number of features included with the URCA.

I have considered whether the account was sold on an advised, or non-advised basis. I’ve not seen anything, including Mr and Mrs M’s testimony, that makes me think that the account was sold on an advised basis. This means that Halifax didn’t have to check whether the account was suitable for Mr and Mrs M. But it did have to provide them with important

information about the account and the associated products, so they could decide this for themselves.

From what I have seen, I think Mr and Mrs M were given at least some information about the account during the sale. I say this because they seem to have been aware there was a monthly fee for the account. And their benefit usage indicates they had a good appreciation of what products came with the account, how to register phones and who to contact to make claims.

I recognise its possible that Halifax may not have provided Mr and Mrs M with all of the information about the account that it should've during the sale. But that being said, I've seen nothing to suggest that Mr and Mrs M would've been put off from agreeing to the URCA, had they been given even more information about it.

Given the above, I don't think that the URCA was mis-sold.

Finally, I note that Mr and Mrs M have said that the monthly account fee, amongst other things, caused them to spiral into debt.

I have looked through a number of statements spanning a number of years whilst they held the URCA, but I can't see that was the case. I can see that the account would regularly go overdrawn, but they also regularly paid money into the account bringing it back into a credit balance. So I don't think there was anything about how they operated the account that ought to have made Halifax think that they may be in financial difficulties. Nor can I see that they told Halifax that they were in financial difficulties either.

As such, based on the evidence I have seen I don't think that the URCA was mis-sold, nor do I think that Halifax has acted unfairly or unreasonably towards Mr and Mrs M in this matter.

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 Mrs M and Mr M to accept or reject my decision before 12 October 2023.

Thomas White
Ombudsman