

## **The complaint**

Mr C has complained that Bank of Scotland plc trading as Halifax (“Halifax”) mis-sold him a fee-paying Ultimate Reward Current Account (“URCA”) packaged account in 2003.

Mr C says he was led to believe that agreeing to upgrade was the easiest way to secure the mortgage product he wanted.

## **Account history**

- Opened as a fee-free current account 16 April 2003
- Upgraded to a fee-paying URCA 15 August 2011
- Downgraded to a fee-free current account 6 October 2023

## **What happened**

Mr C complained to Halifax in October 2023 to say that his packaged account had been mis-sold. Halifax issued its final response letter on 24 October 2023 and said that Mr C’s complaint had been raised outside of the time limits that apply.

After Mr C referred his complaint to this service, one of our investigators assessed the complaint and they concluded that the complaint was raised within the relevant time limits and was therefore a complaint that this service could consider.

As Halifax agreed that this service could consider the complaint, the investigator assessed the complaint and concluded that, on balance, the packaged account was likely not mis-sold.

Mr C disagreed with the investigator’s conclusions, 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 bank accounts on our website, and I’ve used that to help me decide this complaint. I would also like to point out that where matters are in dispute and evidence is missing, as is the case here, I have to decide what I think was most likely to have happened, based on all the evidence that is available.

Having considered everything that has been provided, I don’t think the URCA was mis-sold. I will explain why.

Mr C says that he was told that having the URCA was the easiest way to obtain the mortgage product he needed. Mr C says that the account was sold to him in 2003.

Having looked at the available evidence, firstly I note that the URCA was not sold to Mr C in 2003 as he recalls, and was sold to him in 2011. Therefore, given that his recollections do not accurately reflect the evidence I have seen, I’m not able to place as much weight on Mr

C's testimony as he would perhaps like me to. I note that Mr C is adamant that he was paying for his account since 2003, but looking at his account history, his account was a fee-free account between 2003 and when it was upgraded in 2011. I can see that Mr C had an overdraft on his account, so it's possible that the account fees he recalls paying prior to 2011 may've been overdraft charges.

Mr C says that he agreed to the URCA as he was led to believe it was the easiest way to obtain the mortgage product he wanted. At the time the URCA was sold to Mr C, one of the features of the account was that it occasionally offered special discounts and exclusive offers on savings and mortgages. Unfortunately, due to how long ago the product was sold, it's now not clear what specific offers were available at the time. Nevertheless, given that the URCA did occasionally include mortgage offers, I can't rule out the possibility that an URCA mortgage offer was available at the time that Mr C was possibly interested in.

However, looking at the evidence that has been provided, I can't see that Mr C did take out a mortgage with Halifax – either around 2011 or in the years since. So, overall, I don't find Mr C's testimony particularly persuasive that he agreed to upgrade his account to an URCA to take out a specific mortgage product. If that were the case, then I would've expected him to have downgraded his account back to being a fee-free account once he'd decided not to take out the specific mortgage product that he had in mind – rather than go on to keep the URCA for around 12 years.

As such, when establishing what was most likely to have happened, it seems Mr C either agreed to the URCA because he intended to take advantage of a mortgage offer it included at the time, but never applied for it and never got round to downgrading the account. Or alternatively, he agreed to the URCA because he was attracted to the benefits it provided. But in either scenario, I can't reasonably say that the URCA was mis-sold. I say this because, even in the first scenario, there was nothing to suggest that Mr C was led to believe he had to keep the URCA or that he was led to believe that fee-free accounts (which he'd held for a number of years before hand) were no longer available. And if it is the case that Mr C agreed to the account for a specific product, but then never downgraded his account back to a fee-free account after deciding not to take out the product, that is not something that I can reasonably hold Halifax responsible for.

Looking through all of the evidence, I can't see that Halifax had assessed Mr C's circumstances or made a personal recommendation to Mr C to upgrade to the URCA. This means that Halifax was not obliged to check if the insurance products were right for his circumstances. But it was still required to provide Mr C with enough information about the account, so that he could decide for himself, whether it was worth taking out or not.

Due to the timescales involved, and the minimal evidence that is now available, I can't be sure what information Mr C was provided with at the time. But having said that, I think it's likely that Mr C would've been given at least some information about the account benefits and features - otherwise I doubt he would've agreed to it had he not.

I accept that Mr C might not have been given all the important information about the account when it was sold to him. But I've not seen anything about his circumstances that makes me think he would've been put off from taking out the account had he been given more information about it. For example, I can see that Mr C was sent annual eligibility statements – which reminded Mr C of the insurance benefits of the account and invited him to check that the URCA was still right for him – in February 2014, April 2016 and then every April since then. And despite these being sent to Mr C over the last 10 years or so, he chose to keep the account. So I doubt that even if Halifax had given Mr C more information about the account features and benefits during the sale, this would've put him off agreeing to it.

Therefore, based on everything that I have seen, I don't think I can reasonably say 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 C to accept or reject my decision before 5 August 2024.

Thomas White  
**Ombudsman**