

The complaint

Mr C has complained that Think Money Limited (“Think Money”) mis-sold him a fee-paying Current Account Plus in July 2012. Mr C says that the account was mis-sold as Think Money failed to make it clear to him that cheaper account options were available to him.

Mr C has also said that he is unhappy with the advice he received when he entered an Individual Voluntary Arrangement (IVA).

What happened

When Mr C entered into an IVA, he says he was told by the IVA practitioner that he must take out a Think Money account. As a result, Mr C opened a Think Money fee-paying Current Account Plus in July 2012.

In July 2023, Mr C complained to Think Money as he says he was not given the option of having a cheaper or free account.

Think Money issued its final response on 19 July 2023. It explained that it can’t be held responsible for the advice that Mr C may’ve received from the IVA practitioner. It suggested he contact the company that he took out the IVA with if he’s unhappy with the advice given. Think Money also said that Mr C has complained outside of the time limits that apply to complaints, concerning the complaint about the sale of the Current Account Plus.

After Mr C referred his complaint to this service, one of our investigators assessed the complaint and they thought that Mr C had complained within the time limits. Following this I issued a decision to explain why our service is able to consider this complaint.

Following this, an investigator issued their assessment on the merits of Mr C’s complaint, and they did not uphold the complaint. As Mr C did not agree with the investigator’s assessment, the matter was referred again 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.

Having reviewed everything, I don’t uphold this complaint. I will explain why.

Mr C has said that Think Money and his IVA practitioner are ‘legally linked’. He also says that he still has not had a clear explanation of why someone entering an IVA would be made to open a bank account which charges a high fee knowing that the person was in financial difficulties.

However, as I stated in my previous decision and as the investigator explained in their assessment, the IVA practitioner and Think Money are separate legal entities.

This means that I can’t hold Think Money responsible for the actions of another legal entity, no matter how much Mr C may want us to. Therefore, if Mr C wants answers as to why his IVA practitioner told him to open a particular bank account that incurred a monthly fee, that is something he will have to take up with the IVA practitioner directly.

Because of this, I can’t reasonably say that the Current Account Plus was mis-sold by Think Money if a third party advised Mr C to open it. Furthermore, Think Money has confirmed that

in 2012 it didn't offer a cheaper account than the Current Account Plus. Therefore, I can't reasonably conclude that Think Money had mis-led Mr C into unnecessarily opening a more expensive account than he needed to – given that no cheaper accounts were available with Think Money at the time.

So, on this basis, I'm satisfied that the Current Account Plus wasn't mis-sold.

In his response to the investigator's assessment, Mr C says that he has discovered that he was able to select his own bank account when entering into an IVA – and says he wasn't given any option by Think Money. However, given that Mr C applied for the Current Account Plus himself, I wouldn't expect Think Money to have explored his motivations behind doing so. Nor would it be reasonable to expect Think Money to have discussed the availability of cheaper (or fee-free) accounts with other providers. Instead, all it was reasonably expected to do was act on Mr C's instruction to open the account he'd applied for – which it did.

Finally, I note that Mr C is unhappy because, later, he became aware that Think Money also provided cheaper accounts and he believes that this should have been highlighted to him.

Think Money has explained that it had only added a new (cheaper) account to its range in 2020. However, Think Money was not obliged to keep Mr C up to date with its range of accounts on an on-going basis, unless Mr C specifically asked it if there were other accounts available – and I can't see that he did prior to his complaint.

Think Money was however required to inform Mr C of any changes it was making to his account. Think Money changed the terms (and reduced the monthly cost) of the Current Account Plus in 2020. I understand it had emailed Mr C on 14 January 2020 to explain the changes it was making. This email explained that if Mr C was unhappy with the changes, he could choose to close his account. The email also included a link to compare the accounts Think Money offered. I understand it sent similar emails when making other changes to the terms and conditions since then too. So I'm satisfied that Think Money had informed Mr C about the changes being made to his account and had given Mr C reasonable opportunities to consider if the account was still right for him and for him to close or change account if he was no longer happy with it.

So, I can't say that Think Money had done anything wrong if it was the case that Mr C was unaware that a cheaper option had, since 2020, become available.

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 27 September 2024.

Thomas White
Ombudsman