

The complaint

Mr B is unhappy he's been charged a fee for the various packaged bank accounts he's held with Lloyds Bank PLC over the years.

What happened

The circumstances that led to this complaint are well known to both parties, so I won't repeat them in detail here. But, in summary:

- Mr B has held his current account with Lloyds since 1980. The bank no longer holds records going back that far but has provided account statements and customer notes from mid-2001 onwards. These show he started paying a monthly account fee in June 2002 when he upgraded from a fee-free account to a Platinum account. The type of account he's held since then has changed a number of times over the years, as has the monthly fee and benefits to which he's been entitled.
- Mr B says the benefits afforded by the account weren't the reason he took out a packaged account and retained it all these years. Instead, he was told he had to have a packaged account in order to maintain the overdraft facility he required. The bank misled him in this respect and should consider refunding at least some of the fees charged over the years.
- Lloyds says it recommended the packaged accounts to Mr B. But he would have been given information at the relevant times which would have explained the costs and benefits so that he could make an informed choice. And he's made use of some of the benefits over the years. So it refused to refund any of the fees Mr B has been charged.
- One of our investigators looked into Mr B's complaint and didn't think Lloyds mis-sold the accounts. Mr B disagreed and so the complaint has come to me for review.

I issued a provisional decision earlier this month setting out why I wasn't minded to uphold Mr B's complaint. I have reproduced my provisional findings below.

Given the length of time that's passed, I don't think it's unreasonable Lloyds hasn't been able to provide complete information or documentation from when the various account changes took place. Where evidence is incomplete and matters are in dispute, my role is to decide based on what I think is most likely to have happened – keeping in mind everything I've seen and have been told by both parties.

Despite what Mr B has said, I'm satisfied changes were made to the underlying account which were more than just a change of name and that it's more likely than not he actively engaged with those changes. I note in particular that:

- *There aren't any customer notes from April 2002 when the account was first upgraded to a packaged account. But I don't think that omission means that a conversation didn't take place. Mr B seems to remember speaking to someone and suggests he was told he needed to take a packaged account in order to retain his overdraft facility. I can see from*

the account statements that, in the six months prior to the first account upgrade, he regularly went overdrawn in the days before his salary was paid, but his salary always brought the account back in to credit. And that pattern of activity may have been going on for much longer. I'm not persuaded it's more likely than not this resulted in the bank insisting that he change from a free, to a fee-paying account. But I do note that the Platinum account he switched to afforded a £250 interest free overdraft facility and a far lower overdraft interest rate than the Classic account that Mr B had previously held. I think it's entirely possible this was a factor in Mr B's decision to upgrade as well as the other benefits the account afforded.

- In May 2006 Mr B's account was downgraded to a Select Plus account and the monthly fee more than halved at this point. The customer notes from the time suggest a discussion took place with the bank during which the various benefits – not including those relating to the overdraft – were discussed. The notes also show that something was posted to Mr B on the same date the discussion took place. I don't have a copy of that correspondence but I think it's likely this related to the account downgrade.*
- In January 2007 a conversation seems to have taken place about Mr B's overall finances. The customer notes say, amongst other things, that his account was downgraded from Platinum to save money as Mr B wasn't using the benefits. Also that work was slow, which explained him being overdrawn on occasion but there were no overall affordability concerns and Mr B didn't want a loan at that time.*
- In November 2009 Mr B changed his account from Select Plus to Silver Advantage – he received a discounted fee for two months and the cost after that was slightly less than the Select Plus fee. The customer notes indicate that a number of discussions had taken place that month, relating to Mr B's overall finances and a large sum of money coming into his account from a property sale. The notes say the account changes were "fully discussed." Importantly, it seems that no further overdraft charges or interest were applied to the account after January 2010.*
- In April 2010 Mr B upgraded his account back to Platinum. The customer notes indicate the main reason for doing so was because Mr B had retired and intended to travel more including to the USA. The travel insurance that came with the Platinum account covered Mr B to age 80 on Worldwide trips, whereas the Silver Advantage only covered trips to Europe until Mr B was age 65. It also offered preferential savings rates which Mr B was considering, given the high balance in his account and it looks like he did open a savings account shortly afterwards. Mr B also made a claim on the travel insurance in early 2013.*

With all of the above in mind, I currently have some difficulty accepting Mr B's suggestion that the only reason he took out a packaged account and made changes over the year was because he thought he had to have a packaged account in order to have an overdraft facility. Multiple conversations have taken place over the years about Mr B's account – including, it seems, the costs and relative benefits afforded by the different account – and changes have been made to ensure the account still suited his circumstances. I also think it's likely he will have been sent correspondence at various points in time which would have explained the costs and benefits. If he wasn't happy with any of this along the way, he could have instigated further discussions with the bank.

I accept that Mr B may not have taken advantage of all the benefits on offer, and for which he was eligible, over the years. But that, in and of itself, doesn't mean the fees should be refunded or that the accounts were unsuitable. And, from everything I've seen, I don't think the accounts were unsuitable, given Mr B's circumstances

Overall, I'm not currently persuaded that it would be fair to instruct the bank to refund any of the fees Mr B has been charged over the years.

Lloyds replied to my provisional decision, advising that it had nothing further to add. But Mr B didn't reply.

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 done so and as neither party has provided any further comments or evidence for me to consider, I see no reason to depart from the findings set out in my provisional decision and reproduced above.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 29 February 2024.

Ruth Hersey
Ombudsman