

## **The complaint**

Mr and Mrs W have complained that Lloyds Bank Plc (“Lloyds”) mis-sold them fee-paying Platinum and Premier packaged bank accounts in March 2011 and December 2011 respectively.

Mr and Mrs W say the accounts were mis-sold, because they went to rely on the breakdown cover provided by the Premier account, but the breakdown provider said that their claim was not covered by the breakdown cover.

## **What happened**

Mr and Mrs W unfortunately hit a pheasant whilst driving their vehicle – this left them at the side of the road unable to drive their car. They went to claim on their Premier account breakdown cover, but were told by the product provider that they were not covered for the situation they found themselves in. Eventually, after hours of waiting, they arranged for their car to be recovered themselves.

Unhappy with how things were handled, Mr and Mrs W complained to: Lloyds concerning the original sale of the packaged account; their current bank about how it handled matters relating to their claim; the breakdown provider for its handling of the claim.

This complaint is only concerning the sale of the packaged accounts when the account was previously held with Lloyds.

Once it was made aware of Mr and Mrs W’s complaint, Lloyds issued its final response letter on 1 August 2024. Lloyds said that as the reasons why Mr and Mrs W say the account was mis-sold were due to how their breakdown cover claim was handled, and that is the responsibility of the breakdown provider, they would need to raise their concerns with the breakdown provider.

Following further investigation into the complaint, Lloyds issued a further final response letter on 4 September 2024 and again didn’t uphold the complaint about the sale of the packaged accounts.

One of our investigators assessed the complaint and they too didn’t uphold the complaint.

As Mr and Mrs W didn’t accept the investigators assessment, 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 the packaged accounts were mis-sold. I will explain why.

Firstly, I need to make it clear that, as this complaint is against Lloyds, I can only consider whether it did anything wrong or acted unreasonably in relation to this matter. So, whilst I understand that Mr and Mrs W are unhappy with how the breakdown provider dealt with their breakdown claim, I'm unable to address Mr and Mrs W's concerns about whether the provider's handling of the claim was reasonable or not, or indeed whether compensation is warranted for how it handled the claim.

My understanding of this complaint is that Mr and Mrs W feel as though Lloyds should be held responsible for how their breakdown claim was handled. They say this because it was Lloyds who originally sold them the accounts. Mr and Mrs W say that they've essentially been charged for services that Lloyds could not deliver, and therefore say that the Platinum and Premier accounts were mis-sold.

Looking at everything that has been provided, there does not appear to be any suggestion that Mr and Mrs W were coerced into agreeing to the accounts. They appear to have been fully aware that fee-free accounts were also available to them. So, when they agreed to the accounts, I think they were given a fair choice.

I understand that Lloyds may've recommended the accounts to Mr and Mrs W. This meant that Lloyds had to ensure that the accounts were a reasonable fit for their circumstances.

At the time, the Platinum account cost £17 per month and included benefits such as Worldwide travel insurance, breakdown cover, mobile phone insurance, as well as a £250 interest free overdraft facility - with lower rates of interest (than would be charged on a fee-free account) on overdrawn balances above this amount up to the agreed limit.

Mr and Mrs W's Platinum account was then upgraded later on in 2011 to a Premier account. At the time, it cost £25 per month, but provided enhanced (compared to the Platinum account) travel insurance, mobile phone insurance and breakdown cover. It also provided home emergency cover and an Identity protection product called ID Aware. And in terms of the overdraft benefit, it included a £500 interest free overdraft facility, with lower rates of interest (than would be charged on a Platinum account) on overdrawn balances above this amount up to the agreed limit.

Based on everything I have seen it seems that Mr and Mrs W had a need for mobile phone insurance, travel insurance and breakdown cover. They also regularly used their overdraft on their account. So, I think that Lloyds' recommendation that they upgrade to a Platinum account was reasonable in the circumstances.

The notes from the time say that Mr W agreed to the Premier account for the additional winter sports cover it included, and also for the ID aware (as Mr W had until that point, been paying for the product separately). The note also says that Mr and Mrs W's overdraft limit was changed to £500 to match the interest free overdraft benefit, to avoid them paying extra when using their overdraft. So again, given Mr and Mrs W's circumstances at the time, recommending the Premier account seemed to have also been reasonable.

When selling the Platinum and Premier accounts, Lloyds was essentially acting in the capacity as an insurance intermediary (in relation to the sale of the insurance products included with the accounts). This means that it was required to provide Mr and Mrs W with all of the important information about the accounts and the associated benefits they included. This was so that they could make an informed decision about whether it suited their specific circumstances.

When considering the reasons why Mr and Mrs W believe that the Platinum and Premier accounts were mis-sold, all of their points seem to relate to how a specific breakdown claim

was handled, rather than to anything that Lloyds did or didn't do during the sale of the packaged accounts. As such, I've not seen anything here to suggest that Lloyds did anything wrong in terms of how it sold the Platinum and Premier accounts to Mr and Mrs W. And whilst Mr and Mrs W say that they were paying for nothing, I can see that they had successfully been able to make breakdown cover claims in the past. So, the fact that Mr and Mrs W knew how to engage with the various benefits on the accounts in the first place, indicates that Lloyds had provided Mr and Mrs W with the important insurance documentation during the sale of the accounts.

Given the above, I can't reasonably say that the Platinum or Premier accounts were mis-sold. And I agree with what Lloyds and the investigator have said, in that the breakdown provider is responsible for how the claim was handled, not Lloyds. Therefore, I think it would be inappropriate to hold Lloyds responsible for the actions or omissions of a third party.

I understand Mr and Mrs W's frustrations with the circumstances they found themselves in. I am glad to hear that Mr and Mrs W were eventually able to recover the costs to recover their vehicle with the breakdown provider. But overall, I can't say that Lloyds has done anything wrong or acted unreasonably, regarding how the Platinum or Premier accounts were sold.

Because of this, I don't think it'd be appropriate to require Lloyds to refund the account fees Mr and Mrs W paid for the Platinum or Premier accounts. Nor do I think it would be fair to say that Lloyds should pay Mr and Mrs W compensation for how their breakdown claim was handled.

### **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 and Mrs W to accept or reject my decision before 27 December 2024.

Thomas White  
**Ombudsman**