

The complaint

Mr and Mrs C have complained that Lloyds Bank PLC (“Lloyds”) mis-sold them a fee-paying Gold Service packaged bank account – which was sold to them in 2004.

Mr and Mrs C say that the travel insurance included with the account was advertised as being comprehensive. But Mr and Mrs C say that the cover included with the account is not comprehensive.

What happened

Whilst abroad, Mr and Mrs C missed their flight home due to severe traffic jams. Mr and Mrs C made a claim on the travel insurance provided by their Gold Service account upon their return home, but the insurer declined their claim.

Unhappy with this, Mr and Mrs C complained to Lloyds Bank. They said that their packaged account had been mis-sold as it is advertised as being comprehensive, but said it is not comprehensive as the policy didn’t cover the event they claimed for.

Lloyds considered their complaint and issued its response to the complaint on 5 February 2025 and didn’t uphold their complaint.

After Mr and Mrs C referred their complaint to this service, one of our investigators assessed the complaint and they were unable to conclude that the Gold Service account had been mis-sold.

As Mr and Mrs C didn’t accept the investigator’s conclusions, 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. And having considered everything I don’t uphold this complaint I will explain why.

Having considered the circumstances that Mr and Mrs C found themselves in, I have a great deal of sympathy for them. They missed their flight home through no fault of their own and so expected their travel insurance policy to cover their loss for having to pay for new flights. And given that the people they were travelling with, who incurred similar losses in similar circumstances, were able to successfully claim on their respective travel insurance policies, no doubt added to their frustrations here.

However, I have to make it clear that as this case is against Lloyds and not the travel insurer, then I’m unable to comment on the travel insurer’s decision to decline their claim. If Mr and Mrs C feel that the travel insurer’s decision to decline their claim was unfair or unreasonable, then they will need to raise a separate complaint with the insurer. I can see

that Lloyds had explained that was the case in a letter sent to Mr and Mrs C on 28 June 2024.

Nevertheless, as this case is against Lloyds, who sold them the packaged account, that does mean that I'm limited to only considering what Lloyds was responsible for. And that is largely ensuring that Mr and Mrs C were provided with the important information about the account and the associated benefits, so that they could make an informed decision about taking out the account in the first place. This means Lloyds were required to make Mr and Mrs C aware of the key terms and limitations, as well as any changes being made to the account and the associated benefits, over the years they have held the account.

From what I have read, Mr and Mrs C haven't complained that Lloyds failed to provide them with information about the account and the associated benefits. I can see that Mr and Mrs C have been able to make use of the benefits over the years. So it does look like Mr and Mrs C have been provided with information to know what benefits were included with the account and how to use them.

Turning now to the main point that Mr and Mrs C have raised, they say the account was mis-sold because the travel insurance was advertised as being 'comprehensive'. They say that because the event they claimed for wasn't covered, then the travel cover can't be deemed to be comprehensive. Because of this, they say that Lloyds had mis-sold the account to them.

I've considered Mr and Mrs C's point here, but I have to say I'm not persuaded by it. Indeed, Lloyds may've marketed the Gold Service travel cover as being comprehensive. But looking at the policy terms and the summary of cover, the travel cover does look 'comprehensive' to me. What I mean by this is, the travel cover appears to provide the typical levels of cover and covers the typical insured events that I'd expect to see in most travel policies (although there will always be variation in what is specifically covered by each policy). In the summary of cover, it explains that there are 15 different insured events covered by the policy - ranging from cancellation or curtailment, medical emergencies, travel disruption cover, as well as a number of other insured events - such as winter sports, business and golf cover. More specifically, I can see that it does include missed departure cover too.

So overall, I can't reasonably say that Lloyds is being unfair, or misleading if it has said that the travel cover is 'comprehensive'. In my view, I think it's the case that the Gold Service travel insurance is by and large comprehensive - in that it covers a number of insured events that I'd typically expect to see included in such a policy, including missed departure. But it seems to be the case, from what Mr and Mrs C have said, that the specific events that led to their claim was something that just wasn't covered by the policy. Although I would like to make it clear here that I'm not saying that the insurer's decision to decline the claim was correct, or fair and reasonable - as that is not something I have looked into, or can look into, within this decision.

Therefore, in the given circumstances, I'm unable to conclude that Lloyds has done anything wrong, or acted unfairly or unreasonably in how it has sold or marketed the travel insurance included with the Gold Service account. On the contrary, from everything I have seen it does seem that Lloyds has done what it was required to do - for example by sending out annual eligibility statements and notices of variation when changes were made - to keep Mr and Mrs C informed about their packaged account and the benefits it came with. Because of this, I don't think it would be appropriate in the circumstances to say that Lloyds should reimburse Mr and Mrs C's costs for their declined travel insurance claim.

I appreciate that Mr and Mrs C will be disappointed by my decision. But I hope they understand the reasons why I can't uphold their complaint in the circumstances.

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 and Mrs C to accept or reject my decision before 22 July 2025.

Thomas White
Ombudsman