

The complaint

Ms W has complained, via a personal representative, that Lloyds Bank Plc (“Lloyds”) has been charging her a monthly fee for a packaged account that she was unaware she had.

What happened

Ms W noticed that a monthly fee was being charged to her current account so raised a complaint with Lloyds.

Lloyds issued its final response to the complaint on 11 December 2024 and didn’t uphold the complaint. In summary, Lloyds says that Ms W was sold the Gold Service packaged account at some point prior to September 2001. It said the sale of the account took place so long ago, that Ms W had complained too late about how the account was sold for it to investigate whether it was mis-sold or not.

Unhappy with Lloyds’ response to the complaint, Ms W’s representative referred the complaint to this service.

After they did that, Lloyds agreed that this service could consider this complaint. One of our investigators then assessed the complaint but was unable to conclude that Lloyds had acted unfairly or unreasonably.

As Ms W 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 accounts on our website and I’ve used that to help me decide this complaint. And having considered everything, I don’t uphold the complaint. I will explain why.

Firstly, I think it may help to explain to Ms W (and her representative) that for me to uphold this complaint, I would need to find that Lloyds has done something wrong or has acted unfairly or unreasonably. However, from what I have seen I can’t reasonably say that it has.

I say this because, Ms W has complained because she noticed a monthly fee coming out of her bank account. Upon further investigation (with the assistance of her representative) Ms W discovered that the monthly fee was being charged because Ms W has a fee-paying Gold packaged account.

From what I have seen it seems that Ms W agreed to this account many years ago. However, one historical feature of the packaged account was that, if the account holder kept a certain amount of money in the account, in return Lloyds would not charge the account holder the monthly account fee for as long as that requirement is met. This feature is known as a fee waiver.

In Ms W’s case, it seems that she has kept the balance of the account above the fee waiver amount for many years and so in return, has been able to benefit from the features of the Gold Service account for many years without having to pay for it.

Ms W says the account was mis-sold as she didn't need the benefits on the account. However, the benefits provided by the account when it was originally sold to her were quite different to what they are now. For example, prior to September 2001, most of the Gold Service features were banking rather than insurance features. For example, by having the account it offered better rates on loans, overdrafts and savings accounts. And in any event, even if I were to conclude that Lloyds had done something wrong during the sale of the account (although it happened so long ago and there is now little evidence available, it would be very difficult for me to conclude that it likely had done something wrong), as Ms W was able to have the account without incurring a monthly fee, then I think she likely would've agreed to it, even if Lloyds had given her all of the information it should've during the sale. So I can't reasonably conclude that it was mis-sold.

Ms W held the Gold Service account for many years, and in that time she was by and large able to retain the Gold Service account without paying a monthly fee because she met the fee-waiver criteria. However, in 2021, Lloyds took the decision to remove the fee-waiver from all packaged accounts. This was something Lloyds was able to do. However, when doing so it needed to inform all affected account holders and give them reasonable notice so that they could decide their options.

In this case, Lloyds has provided a copy of a letter sent to Ms W. It has also provided evidence to show that Ms W was sent the letter. Looking at the letter it contains the correct (current) address for Ms W.

In the letter, which was sent in June 2021, it explains that Ms W has a Gold Service account, which comes with a range of benefits. The letter explained that, as Ms W keeps over £2,000 in the account, she was able to have the account without paying the monthly fee. The letter goes on to say that Lloyds would be removing the fee-waiver from 1 September 2021, and that Ms W would be charged £14.95 per month for the account. The letter explains that Ms W should review if the account benefits are still suitable for her circumstances, and if not, she can choose to change her account to one without a monthly fee and without a package of benefits.

Based on the above, I'm satisfied that Lloyds did what it was required to do to notify Ms W of the change being made to her account. It gave her a reasonable amount of time to consider her options and made it clear she could change her account to a free one, if she didn't want to pay the monthly fee. Furthermore, Lloyds explained that Ms W could get in touch in branch, over the phone or online to discuss the changes if she wanted to.

As such, I can't say that Lloyds acted unfairly or unreasonably in removing the fee-waiver when it did. Furthermore, Lloyds has provided evidence to show that it sent Ms W a large number of mailings over the years she held the Gold Service package account, including annual eligibility statements (which have been sent in 2014 and then every year since 2016) reminding Ms W that she had a package account. These explained what insurance benefits were included with the account and invited the account holder to get in contact if the account was no longer suitable for their circumstances.

So, from the evidence I have seen, I think that Lloyds has taken reasonable steps to inform Ms W about the removal of the fee-waiver and to remind her that she had a packaged account.

I acknowledge that Ms W's representative feels that Lloyds has taken advantage of Ms W. However, at the same time, I can't reasonably say that Lloyds has done something wrong or acted unfairly or unreasonably here. Because of these reasons, I can't reasonably say that it should refund the Gold Service account fees that Ms W has paid.

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 Ms W to accept or reject my decision before 23 October 2025.

Thomas White
Ombudsman