

The complaint

Mr and Mrs S have complained that Lloyds Bank PLC (“Lloyds”) mis-sold them fee-paying Platinum and Premier packaged accounts.

Mr and Mrs S say they were told that if they wanted to get a loan they would need to take out a packaged account.

Account history

- Joint fee-free Classic account since at least September 2001
- Upgraded to a fee-paying Platinum account 25 March 2002
- Downgraded to a fee-free account 24 February 2006
- Account changed to a sole account at some point 9 May 2013
- Upgraded to a fee-paying Premier account 7 June 2013

What happened

After Mr and Mrs S complained, Lloyds issued its final response letter to the complaint on 28 August 2013 and didn't uphold the complaint.

After Mr and Mrs S referred their complaint to this service, one of our investigators assessed the complaint and they didn't think that the packaged accounts had been mis-sold.

As Mr and Mrs S didn't accept the investigator's assessment, the complaint 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 am not upholding this complaint. I will explain why.

Mr and Mrs S say that the account was mis-sold, as they say they were told that if they wanted to obtain a loan, they would need to upgrade their account to a fee-paying packaged account.

Unfortunately, due to how long ago the accounts were sold, there is now little evidence available from the time to indicate what would've been discussed. But around the same time that the Platinum account was sold to Mr and Mrs S, I can see that they took out a personal loan.

Therefore, I accept it's possible that, as Mr and Mrs S have said, they were given misleading information that resulted them in upgrading to a Platinum account unnecessarily.

However, I have considered Lloyds' comments on the sale and reviewed what the benefits of the Platinum account were in March 2002. One of the benefits it provided was a preferential interest rate on personal loans. And the loan they took out around the same time as the Platinum account upgrade, is labelled as a Platinum loan within Lloyds' records. So I think it's likely that the loan they received did include the preferential Platinum account interest

rate. Another benefit included with the account was a £250 interest free overdraft, with a preferential rate of interest (compared to what is charged on fee-free accounts) on overdrawn balances above that amount (up to the arranged limit). I can see that, in the months prior to Mr and Mrs S upgrading their account, the account remained consistently overdrawn. Lloyds has also provided evidence to show that Mr and Mrs S had claimed on the Platinum account breakdown cover around 6 times. So it would seem that they had a need for and were relying on that benefit of the account too.

As such, when weighing everything up, I think it's just as likely (if not more so) that Mr and Mrs S agreed to the account because they were attracted to, and able to benefit from, the benefits it provided – including the preferential borrowing terms it offered - rather than because they thought they had no choice in the matter but to upgrade to get a loan. I say this particularly as I can see that they had been able to obtain loans from Lloyds before the sale of the Platinum account. So, I'm satisfied that they were aware that loans were generally available without the need to have a packaged account.

Turning now to the Premier account that was sold in June 2013, I understand that around that time, the account had been changed to a sole account. Mr S has given similar reasons as to why he says this account was mis-sold. But again, having reviewed the available evidence, I'm not persuaded that Mr S agreed to the Premier account because he thought he had no choice but to do so if he wanted to obtain a loan.

I say this because firstly, Mr and Mrs S had downgraded their Platinum account back to a fee-free account in 2006 and had then obtained loans in 2007 and 2009. Therefore, given that Mr and Mrs S had been able to upgrade their account and then downgrade it back to a fee-free account and had been able to obtain loans both with and without a packaged account, I think Mr S likely knew that he didn't need the Premier account in order to obtain a loan. Furthermore, although the Platinum account looks to have been sold in branch, Lloyds has provided evidence to show that Mr S had applied for the Premier bank online.

As such, given that Mr S had chosen to upgrade the account himself, without a member of staff being present, then I think it's most likely that Mr S agreed to this account because he was attracted to the benefits it provided.

Mr S has said that he barely used the benefits of the Premier account. However, not using the benefits of a packaged account does not, in itself, mean that the account was mis-sold. Nonetheless, Lloyds has provided evidence that Mr S engaged with a number of the benefits included with the account. For example, the evidence shows Mr S contacted the breakdown provider 10 times since having the Premier account. There is also evidence Mr S contacted the travel insurer numerous times over the years to check the levels of cover and to upgrade the cover provided and also registered handsets under the mobile phone as well.

So taking everything into account, based on the evidence I have been provided with, I'm unable to conclude that either of the accounts were mis-sold. On the contrary, the evidence suggests that Mr and Mrs S were aware that they didn't need a packaged account if they didn't want one (including when they wanted loans) and it seems more likely that they agreed to upgrade on the two occasions as they were attracted to the benefits provided.

Given the lack of evidence that is now available from the time of the sales, I accept it's possible that Lloyds didn't provide Mr and Mrs S with all of the information about all of the benefits during each sale. But having said that, given the interaction Mr and Mrs S had with the benefits, I'm satisfied that they were given enough information about the accounts to understand what they'd agreed to and how to engage with the benefits they came with. And I've not seen anything about Mr and Mrs S's circumstances at the time that makes me think they would've been put off from agreeing to the packaged accounts, had they been given even more information about them.

So based on everything I have been provided with, I am unable to conclude that the accounts were mis-sold.

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 Mrs S and Mr S to accept or reject my decision before 17 December 2025.

Thomas White
Ombudsman