

complaint

Mr R has complained that Lloyds Bank PLC (“Lloyds”) mis-sold him a packaged bank account.

background

Mr R took out the fee-paying “Select” account in 1999. He has raised a number of complaint points about the sale and about how Lloyds managed his account.

Our adjudicator didn’t uphold Mr R’s complaint. Mr R disagreed with the adjudicator’s opinion so the complaint has come to me for a final decision.

my findings

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, I’ve decided not to uphold Mr R’s complaint for the reasons given below.

Mr R says he wasn’t told that he would be paying a fee for the account. This is a difficult matter to decide upon as there is little direct evidence from the time to show what was said to Mr R during the sales process. Where evidence is incomplete and events are in dispute, as they are here, I make my decision based on what I think is most *likely* to have happened given the evidence that is available and the wider circumstances at the time. And in this particular case I don’t think it likely that Mr R was misled in the way he suggests.

I say this because Mr R has said he was aware of at least some of the account’s benefits. And he has used some of them. I accept it’s possible that Mr R would have been told, or thought, that these benefits were free of charge. But I think it more likely that he would have thought he’d have to pay a fee for them.

I’m also mindful that there’s a record of Mr R complaining about the account in 2005. As a result of this complaint, Mr R’s account fee was temporarily frozen at £5 per month. I don’t know the details behind that particular complaint or of the discussion Mr R had with Lloyds. But I think the outcome of it – that his fee would be frozen – would have been communicated to him and that he would have known that he was keeping his account. All this suggests to me that Mr R knew that the account had a fee. It also suggests that when he first took the account, he was happy with its fee.

It looks like Lloyds recommended the account to Mr R. This means it had to ensure it was suitable for him. I’ve seen no evidence that Mr R would not have been able to use the main benefits the account offered. And it seems to me that Mr R had an interest in, and need for, the account’s breakdown cover because he went on to use it on numerous occasions. Therefore, even if not all of the benefits were suitable for Mr R, I think that overall Lloyds made a suitable recommendation given Mr R’s circumstances.

Lloyds also had to provide clear, fair and not misleading information so that Mr R could make an informed decision about the account. I recognise that Mr R says he didn’t receive a welcome pack at the time. But, as outlined above, it looks like Lloyds told Mr R about the account’s main benefits and that he was aware of the account’s fee. So I think he was given important information about the account.

This doesn't necessarily mean that Lloyds told Mr R everything it should have done about how the benefits worked, so there may have been some failings in the way it provided information. However, I've not seen any evidence that there was anything about Mr R's circumstances or how the account worked that would have prevented him from benefiting from its main features or would have otherwise put him off. So even if there were failings in the way Lloyds provided information, I don't think it would have changed Mr R's mind about the account – so I'm satisfied that Mr R's complaint shouldn't be upheld for this reason.

Mr R has also complained that Lloyds didn't downgrade his account when he asked it to. He says he asked for this to be done several years before his account was actually downgraded in 2010.

As mentioned above, there is evidence that Mr R complained about his account in 2005. But I think it likely that Mr R was satisfied with the outcome of this complaint and chose to keep his account. And he used the breakdown cover *after* this which leads me to think he knew he still had the account even after he had complained about it. So I don't think this particular complaint proves Mr R tried to cancel his account and was prevented from doing so. And there is no other record of Mr R having complained to Lloyds. Taking all this into consideration, I think the fact that Lloyds paid Mr R one year's worth of fees as a goodwill gesture is fair and reasonable. And the fact that Lloyds made this payment doesn't necessarily mean, in my view, that it has done something wrong or that further compensation should necessarily follow.

Finally, Mr R has complained that Lloyds had told him that it had refunded all of his account fees. Lloyds didn't do this – it was only one year's worth of fees – so it did give Mr R incorrect information in this respect. But there's no evidence that Mr R suffered any financial loss as a result. And Lloyds has recognised and apologised for its mistake. So I don't think there is anything further for Lloyds to do.

It follows that I do not uphold Mr R's complaint.

my final decision

For the reasons given above, I've decided not to uphold Mr R's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr R to accept or reject my decision before 1 February 2016.

Christian Wood
ombudsman