

complaint

Ms R has complained that TSB Bank PLC (then Lloyds-“TSB”) mis-sold packaged bank accounts to her. She was sold a Platinum account in 2010 and a Premier account in 2011. She paid, and is still paying in the case of the Premier, a monthly fee for the accounts which provide some benefits in return.

Ms R has used a claims management company (CMC) to bring this complaint to us.

background

One of our adjudicators has looked into Ms R's complaint already. The adjudicator didn't think that Lloyds mis-sold the packaged accounts to Ms R. The CMC didn't accept this recommendation and asked for an ombudsman to look at the complaint and make 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.

We've explained how we handle complaints about packaged bank accounts on our website. I have used this approach to help decide what to do about Ms R's complaint. I agree with our adjudicator that Lloyds didn't mis-sell the packaged accounts to Ms R and does not owe her any compensation. I'd like to explain why.

When the CMC disagreed with our adjudicator and asked for an ombudsman to look into the complaint, it gave its main reasons as Ms R wasn't offered a fee free alternative and as she never used the benefits she can't have been provided with clear enough information at the time.

I've thought about these carefully. But I don't think that our adjudicator was wrong because:

- I accept that this was the first account that Ms R had with Lloyds in her sole name. But I understand that she'd had a joint fee free account with TSB for a number of years. I know that Ms R was looking for a new account because she was separated from her husband. But I haven't seen enough to agree that she was told she couldn't have a fee free account in her sole name, or that she even believed this. So I think it's most likely that she took out the Platinum account in the knowledge that she could have a fee free account instead if that was she wanted. And I've also seen Ms R's signed application form for the upgrade to the Premier account. It looks as though illustrations for the overdraft rates were included with this. And it's possible that Ms R might have found this benefit useful on the Premier account. So having thought about everything, I think that TSB gave Ms R a fair choice. And I think she chose to upgrade because she thought that some of the benefits on the packaged accounts might prove useful to her.
- From what I've seen, I don't think that Lloyds recommended the packaged accounts to Ms R. So it didn't have to check if they were suitable. But Lloyds did have to give her clear enough information so that she could decide whether they were right for her. It's possible that Lloyds didn't explain *all* the benefits on the packaged accounts. But as well as telling Ms R about the benefits she was most likely to use, I think it's

likely that Lloyds did talk about the other benefits - at least at a basic level - in order to make the accounts as a whole seem more attractive.

I also think that Ms R could've used some of the insurance benefits. For example, she was within the age limit of the travel insurance policy and I haven't seen anything to suggest that she didn't travel abroad. And it looks like she was a homeowner, so I think the home emergency cover on the Premier account was something she might've been able to use. The policies were there if she needed to make a claim. Happily, she hasn't had to. I don't know whether Ms R wanted, or needed, the mobile phone insurance and breakdown cover at the time. But even if she didn't, the account came as a package and with all of the benefits. Just because she might not have wanted all of the benefits, or she hasn't had to use them as much as she hoped, doesn't mean that the account shouldn't have been sold to her in the first place. And as the account wasn't recommended it was up to Ms R to decide whether to cancel any existing cover she may have had anyway.

Having thought about everything, I think that Ms R freely chose to take out these accounts because she was attracted to some of the benefits. She may not have been told everything she needed to know about all of the benefits – such as registration of mobile phones. But I think that she could've used the insurance benefits on the accounts if she wanted or needed to. So I think she would've still gone ahead with the upgrades even if Lloyds had provided her with clearer information to explain that the account included more than she may have initially thought.

I've looked at all the information Ms R's provided about her complaint. And having done so, I don't think Lloyds mis-sold the packaged accounts to her. So I don't think it owes her any money.

my final decision

For the reasons I've explained, I don't uphold Ms R's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Ms R to accept or reject my decision before 20 July 2015.

Jeshen Narayanan
ombudsman