

## **complaint**

Mr and Mrs C have complained that Lloyds Bank PLC ("Lloyds") mis-sold a packaged account to them. Mr and Mrs C have brought their complaint to us through a claims management company ("CMC").

## **background**

Lloyds has told us Mr and Mrs C opened their joint Select account around 1997. The account offered a number of benefits for a monthly fee.

My initial conclusions about this complaint are set out in my provisional decision dated February 2016. An extract from my provisional decision is attached to, and forms part of, my final decision.

I said I wasn't intending to uphold this complaint. I asked the CMC and Lloyds to send me any further information they wanted me to consider before I made my final decision. Lloyds told us it accepted my provisional findings. The CMC disagreed with my provisional decision. As both Lloyds and the CMC have responded to my provisional decision, I'm able to give Mr and Mrs C my final decision on their complaint now.

The CMC has raised a number of issues in response to my provisional decision and I've considered everything it has told us. In summary, the CMC says that Mr and Mrs C weren't aware they had a choice about taking the packaged account; they thought they had to have it (and keep it) in order to have an overdraft and they weren't given enough information. The CMC also says the file note from Lloyds which I refer to in my provisional decision isn't relevant as Mr and Mrs C were still under the impression they had to pay for an account in order to have an overdraft. And that it wasn't made clear to them after their conversation with Lloyds in 1999 that they would continue to pay for their account. The CMC also says that in giving Mr and Mrs C details of the Select account and then not doing the right thing, Lloyds wasn't treating them fairly. And that further information sent to Mr and Mrs C didn't properly explain that the account was optional or that they could 'get out of it'. It says Mr and Mrs C weren't from a banking background and so trusted that Lloyds had their best interest at heart.

## **my findings**

I've re-considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. I think the relevant issues to take into account are the same as those set out on our website about our approach to complaints about packaged bank accounts.

I've thought very carefully about the CMC's response to my provisional decision, but its comments don't change my view of this case.

It seems to me that Lloyds' file note from 1999 *is* relevant to this complaint. The note indicates that Lloyds made Mr and Mrs C aware in 1999 that they had a packaged account and that they were paying an account fee for a number of benefits. I accept it's possible that Mr and Mrs C thought they had to keep the account in order to have an overdraft. But from the evidence I have about this case, I think it's more likely that the benefits of the account, including the preferential overdraft, were explained to them in 1999. And that Mr and Mrs C decided to keep the account.

The CMC appear to be suggesting that Lloyds deliberately mis-led Mr and Mrs C about the account, both at the point of sale and again in 1999. I do not think this is likely and I haven't seen any persuasive evidence that makes me think Lloyds set out to mislead Mr and Mrs C about the packaged account. Or that it made them think, both when they took the account and later in 1999, that they couldn't have an overdraft without having the packaged account. And whilst I accept that Mr and Mrs C might not have fully understood all aspects of the Select account, I don't find it plausible that they kept it for over a decade without being aware they were paying a fee for their account.

I appreciate that the CMC and Mr and Mrs C feel very strongly about this complaint. I'd like to reassure them that I've thought very carefully about everything both they and Lloyds have told us. But as I said in my provisional decision, even if there had been problems with the original sale of the account, it seems that Lloyds did what it could in 1999 to put things right. I am not persuaded that after this point Mr and Mrs C thought they had no choice about the account or that they weren't aware they were paying a fee for their account. I have considered all the evidence and arguments about this matter and I realise my decision will disappoint Mr and Mrs C. But for the reasons I've explained, I don't uphold this complaint.

### **my final decision**

For the reasons I've explained, I don't uphold Mr and Mrs C's complaint against Lloyds Bank PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs C to accept or reject my decision before 11 April 2016.

Sharon Parr  
**ombudsman**

**extract from my provisional decision**

**my provisional findings**

I'm not currently intending to uphold Mr and Mrs C's complaint and I'll explain why.

The CMC has raised a large number of issues about the sale of Mr and Mrs C's packaged account. Including that Mr and Mrs C weren't aware the account was optional and they felt pressured to take it; the benefits weren't suitable; they weren't given enough information about the account and they didn't know about the monthly fees.

Lloyds has provided a system file note from 1999 which shows that Mr and Mrs C contacted Lloyds and told them there had been no mention of the £3 monthly account fee or 'extra services' when they took the account. The file note says "*details of Select now given and customer to consider*". Lloyds says it offered to refund to Mr and Mrs C the account fees they'd paid up to that point. I can see from Lloyds' Final Response letter to Mr and Mrs C that it told them about this file note. But the CMC didn't refer to it or explain why they didn't agree with Lloyds about this issue when it complained to us.

I don't know if there were problems with the sale of Mr and Mrs C's Select account. But according to Lloyds' file note, Mr and Mrs C were made aware in 1999 that they held a packaged account. And it seems that Lloyds gave them information then about the account's benefits and monthly fee. I think it was up to Mr and Mrs C to decide whether they wanted to continue with the account. Lloyds says it offered to refund to Mr and Mrs C the account fees they'd paid up to that point. So even if there had been problems with the original sale of the account, it seems that Lloyds did what it could to put things right.

I've thought carefully about what Mr and Mrs C and their CMC have told us. But having considered all the evidence and arguments, I'm not currently intending to uphold their complaint.

**my provisional decision**

For the reasons I've explained, I am not currently intending to uphold Mr and Mrs C's complaint.

Mr and Mrs C and Lloyds should send me anything else they'd like me to know by 23 March 2016. I will take their comments into account before making my final decision.

Sharon Parr  
**ombudsman**