

## **complaint**

Mr W complains that he was mis-sold a packaged bank account called a Premier Added Value Account (PAVA) by Lloyds Bank PLC.

## **background**

I have previously issued a provisional decision regarding this complaint. The following represents excerpts from my provisional decision, outlining the background to this complaint and my provisional findings, and forms part of this final decision:

*Mr W took out a PAVA in February 2009 which incurred a monthly fee of £25.*

*He says he chose to take out the PAVA because Lloyds told him it was the only way to pay cheques into a bank account; and Lloyds said he needed a fee paying account to get an overdraft, a credit card and a loan.*

*Our adjudicator looked into Mr W's complaint and decided that Lloyds' didn't mis-sell the PAVA. Mr W disagrees so the complaint has come to me to decide.*

## **my provisional 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. And I've used this approach to help me decide Mr W's complaint.*

*Firstly I need to consider whether or not Mr W was aware the PAVA was optional and whether he chose to take it out.*

*I think it's more likely than not that he was aware and I say this for the following reasons.*

*At the time of the sale Mr W was over thirty years of age. He had a job, a car and a home and so I think it's more likely than not he had used banking facilities for many years albeit not with Lloyds.*

*I think he would've been aware that fee free accounts were available to pay cheques into. I say this because fee free accounts were well advertised and freely available from Lloyds and other financial institutions. So I think that if Lloyds had said to him that he had to take the PAVA to pay a cheque into a bank account, it's more likely than not he would have queried this and looked for banking facilities elsewhere.*

*Likewise if Lloyds had said to him that to get an overdraft, a loan or a credit card he had to pay for an account, I think it's more likely than not he wouldn't have accepted this and would have looked elsewhere. So although I don't doubt Mr W's honest recollections, I think his memory is mistaken on this.*

*Lloyds has provided evidence from its records of a form Mr W has signed to accept the account, and a note of its conversation with him.*

*So I think Mr W was aware he had a choice and chose to take out the PAVA.*

*Lloyds and Mr W agree that Lloyds did advise Mr W to take the PAVA out. So, Lloyds needed to provide Mr W with sufficient information about the PAVA to make an informed choice. And in recommending the PAVA, it also needed to take adequate steps to ensure that the PAVA was a reasonable fit for Mr W's circumstances.*

*The PAVA contained a range of benefits including worldwide annual family travel insurance including winter sports; AA breakdown cover including roadside assistance, relay, and home start; mobile phone insurance; home emergency cover; airport lounge access; airmiles on holiday bookings and a £500 overdraft free of interest and charges.*

*I don't know what Lloyds said or what information it gave Mr W about the PAVA but I think it would've described it in some detail as it was trying to sell the product to him. And I think it would have been of interest to him in his circumstances. I say this because he says he travelled; had a car, a home, and a mobile phone; and he appears to have been interested in an overdraft facility.*

*Mr W says he didn't travel very much in the years that followed the sale. But he says that he was travelling 1-3 times a year at the time of the sale. He took out a credit card at that time which had a main benefit of collecting Avios. And he signed a form where he answered questions and made a declaration about the travel insurance. So I think it's more likely than not that he intended to travel regularly when he took out the PAVA and told Lloyds this.*

*Mr W says he had pre-existing medical conditions that prevented him using the travel insurance. But the travel insurance didn't exclude pre-existing medical conditions, it only asked for them to be declared. And in Mr W's case I think the medical conditions he's referred to would've been covered by the insurance for no additional cost or possibly a small, competitively priced additional premium. So I don't think this would've put him off taking out the PAVA initially.*

*Mr W says he didn't use any of the benefits very much. But once Mr W had the PAVA, it was up to him how he used the benefits and he could have cancelled the PAVA at any point but didn't for many years.*

*I note that Mr W has complained that Lloyds didn't speak to him about his complaint. But I can see from Lloyds' records that it made extensive attempts to contact him. And in my view this has not prevented him making any significant representations to me on the case.*

*So in my view the PAVA was suitable for Mr W. And there was no information that he didn't receive from Lloyds that would likely have put him off taking it out. So I don't think Mr W lost out when Lloyds sold him the PAVA.*

## **response to my provisional decision**

Lloyds responded to my provisional decision to say it had nothing further to add.

Mr W responded and said he had medical issues at the time of sale that affected his decision making. He said he was told the PAVA was the only way he could get cheques paid into an account; he was told several times there was no alternative; he was told that no other banks in the area accepted cheques. Mr W also said that he does not own a home.

### **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I note Mr W's response to my provisional decision. I was already aware of and had taken into account his medical issues at the time of the sale and what he believes he was told about paying cheques into an account, so what he has said doesn't change my view of that aspect of his complaint.

Mr W's statement about not owning a home seems to conflict with some of his earlier submissions. But even if he didn't own his home, and so couldn't use the home emergency cover, in my view there were enough elements of the product that he could have used, particularly the car breakdown cover, the travel insurance and benefits, and the overdraft facility that made the product suitable for him.

So my conclusions remain as outlined in my provisional findings above.

### **my final decision**

For the reasons I've set out above I do not uphold Mr W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 9 July 2020.

Richard Hill  
**ombudsman**