

complaint

Mrs B has complained that Lloyds Bank PLC ("Lloyds") mis-sold her a Silver packaged bank account in 2008.

Mrs B is being helped with her complaint by her son Mr B.

background

One of our adjudicators has looked into Mrs B's complaint already and he didn't think that Lloyds mis-sold the packaged account to her. Mrs B didn't accept this 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. And I've used this approach to help me decide Mrs B's complaint.

Having carefully thought about everything I've been provided with, I don't think that Mrs B's complaint should be upheld. And I'd like to explain why.

I've started by thinking about whether Mrs B was given a choice in taking the packaged account. At this point, it may help for me to explain that I have to make my decision based on what I think is most likely to have happened. And in working out what I think is most likely to have happened, I have to think about everything I've been told together with everything I've been provided with and see how this fits with what I do know. In other words, what I have to do, in this case, is decide what I think is most likely to have happened having weighed up what both Mrs B and Lloyds have been able to provide me with.

From what I've seen, Mrs B's account was opened as a fee paying Silver one. But it doesn't automatically follow that Mrs B wasn't given a clear choice. I say this as lots of consumers choose to take packaged accounts ahead of fee free ones because of the benefits they include. And it's also common knowledge that fee free accounts are widely available in the United Kingdom ("UK"). Mr B's said that his mother wasn't offered a fee free alternative and that she didn't know she had a packaged account. But it looks like Mrs B registered a handset for the mobile phone insurance included on the account. And as this took place a couple of weeks after the sale, I think it must've been Mrs B that did this. I think that Mrs B would've only been able to register a handset for the mobile phone insurance if she knew that she had a packaged account which included this cover.

So taking everything I've seen together, and while I've carefully thought about what Mr B's said on behalf of his mother, I think it's most likely that Mrs B was provided with a clear choice. And I think it's likely that Mrs B chose to take the Silver account because she, at the time at least, thought the benefits it included – most likely the mobile phone insurance – might prove useful to have.

As I've found that Mrs B most likely agreed to the account, the crucial question I now need to think about is whether she could've used the benefits – not whether the account proved value for money in the period of time she held it.

Lloyds has said that it recommended the Silver account to Mrs B. This means that Lloyds had to make a fair recommendation to by taking adequate steps to ensure the account was a reasonable fit for Mrs B's circumstances. Having thought about Mrs B's wider circumstances and her actions since taking the account, I don't think that the recommendation of the Silver account by Lloyds was unfair or inappropriate. I think that Mrs B was attracted to some of the benefits and she could've used them. And it looks to me that the account chosen was, on the whole, a reasonable match when the benefits Mrs B had a need for and may have wanted are taken into account.

I should start by saying that I think it's likely Mrs B would've been told about most, if not all, of the benefits on the account in order to make it appear as attractive as possible. After all Lloyds was trying to persuade her to take the account when she most likely knew she didn't have to. And the best way to have done this would've been by telling her about what she'd get for the monthly fee.

When Mrs B opened the Silver account it included mobile phone insurance and travel insurance. And the information provided by Lloyds suggests that the Silver account was recommended for the mobile phone insurance. Mrs B also registered a handset for the mobile phone insurance policy shortly after taking the account. I've seen what Mr B's said about Lloyds having done this automatically. But as the registration took place a couple of weeks after the account was opened, I think this is unlikely. I think it's more likely that Mrs B registered the handset because mobile phone insurance was something she was interested in. So overall I think it's fair to say that Mrs B had a need for mobile phone insurance and that she found having it useful.

It also looks like Mrs B travelled. So I think it's fair to say that she had a need for travel insurance. And as Mrs B appears to have been within the age limit for the policy, was a United Kingdom ("UK") resident and was registered with a doctor, I've seen no obvious reason why she couldn't have made a successful claim on the policy if she needed to.

I accept that Mrs B may not have had a need for the breakdown cover which was also included on the Silver account. But the benefits on packaged accounts come as overall packages. And it's rare for an account holder to find each and every benefit on a given packaged account useful. At the time of sale, taking the Silver account was the cheapest way Mrs B would've been able to have the travel insurance and mobile phone insurance that I think she wanted and needed with Lloyds. So I think that the account was a reasonable fit for her circumstances at the time of the sale. And I don't think that Lloyds' recommendation was unfair or inappropriate.

Having carefully thought about everything on this case together, including Mrs B's particular circumstances, I've not seen anything to suggest that the recommendation of the Silver account was unfair or inappropriate.

I accept that Mrs B may now, with the benefit of hindsight, believe that she hasn't benefitted from the account as much she had hoped and expected to when she initially took it out. And given what she may have heard or read about packaged bank accounts in general and a complaint about a different packaged account has been upheld, I can understand why she might now think her account was mis-sold. But I think that Mrs B agreed to the Silver account after having been provided with what, on the face of things, looks to have been a fair recommendation. So I don't think that Lloyds did anything significantly wrong when it sold the Silver account to Mrs B.

I want to reassure Mrs B that I've looked at all the information provided about her complaint. And I've thought about everything she and her son on her behalf have said. But having done so, I don't think that Lloyds mis-sold the packaged account 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 Mrs B's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mrs B to accept or reject my decision before 12 September 2016.

Jeshen Narayanan
ombudsman