

complaint

Mrs L has complained Lloyds Bank PLC ("Lloyds") mis-sold a 'Select' packaged bank account to her in 2002. She pays a monthly fee for the account and can use several benefits in return.

background

One of our adjudicators has looked into Mrs L's complaint already. The adjudicator didn't think that Lloyds mis-sold the packaged account to Mrs L and didn't recommend that Lloyds should pay her any compensation. Mrs L 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've used this approach to decide what to do about Mrs L's complaint.

I agree with our adjudicator that Lloyds didn't mis-sell the packaged account to Mrs L and so it doesn't owe her any compensation. This is because:

Mrs L has told us that her fee free account was upgraded without her consent. Lloyds has told us that Mrs L agreed to upgrade her account in 2002 during a conversation in one of its branches. However Lloyds have been unable to provide any documentation to show Mrs L agreed to the upgrade due to the length of time that has passed. But I don't think that the absence of a signed form, on its own, means that Mrs L didn't agree to the account. I say this because the authority to upgrade an account can be provided through a variety of ways, not just by signing an application form. I'm also mindful that Mrs L's account was upgraded 13 years ago. So even if Mrs L did sign an upgrade form at the time, it wouldn't be unreasonable for Lloyds to no longer have a copy of it. So while a signed account upgrade form can sometimes be helpful, I don't think that the lack of one, on its own, necessarily means that Mrs L didn't agree to the upgrade.

I should also say that I don't doubt Mrs L has provided her honest recollections of her interactions with Lloyds. However, I'm mindful that memories can fade over time. And at times there is a conflict between what the bank and Mrs L says, or the evidence is unclear. In these situations, I have to look at what is available and the surrounding circumstances to help me decide what is more likely to have happened.

So, having taken everything Mrs L has told us into consideration, as well as everything the bank has told us, I think it's unlikely Mrs L's account was upgraded without her permission. I say this because having looked at everything Mrs L has said and what Lloyds have provided us I can see that Mrs L has actively registered for some of the benefits attached to the account. This would indicate that she was aware her account now had insurance benefits attached to it. So it seems likely to me that while Mrs L may not recall upgrading her account, she was aware that she no longer had a standard free account but rather had an account with benefits. And it seems unlikely she would've thought these benefits were free.

- Both Lloyds and Mrs L have told us that Lloyds recommended the packaged account to Mrs L. And while it's not entirely clear what the recommendation was based on I can see that Mrs L went on to use some of the benefits attached to it. And I can't see any reason why Mrs L couldn't have used the other benefits attached to the account. So it seems that the account, when taken as a whole, wasn't unsuitable for Mrs L.

Lloyds also had to give Mrs L enough clear information about the packaged account for her to decide if she wanted it. Like our adjudicator, I think that Mrs L was attracted to some of the benefits of the packaged account and chose it because of these benefits.

Lloyds have told us that Mrs L received preferential rates on her overdraft and registered three mobile phones against the account in 2005, 2008 and 2011. Mrs L disputes that this is evidence that she wanted the account and says that she only registered the phones after receiving a leaflet from Lloyds in the post advising her to do so. However the fact that the phones were all registered a number of years apart from one another seems to imply that Mrs L understood she had this benefit available to her and was interested in it. And while I accept that she has never needed to claim against the insurance this doesn't mean she couldn't have relied on it if she had needed to. Insurance gives us peace of mind and just because Mrs L has been fortunate enough not to need to claim against them doesn't mean that they held no potential value to her. Packaged accounts are rarely tailored to the individual, so it's unlikely Mrs L would have found every benefit useful. And I've not seen anything to suggest she couldn't potentially have used most of the other benefits. So while she may not have used all the benefits available to her it doesn't mean Lloyds mis-sold the account.

- It's possible that Lloyds didn't tell Mrs L everything it should have about the packaged account. But I haven't seen anything to make me think that Mrs L wouldn't still have taken the account even Lloyds had told her everything. With hindsight, Mrs L might feel that the packaged account wasn't particularly beneficial to her. But taking the evidence as a whole, I think it's more likely than not that she agreed to take the account, knowing she had a choice and that she was taking an account with benefits. Just because she hasn't taken advantage of all the benefits, doesn't mean that the account was mis-sold.

I want to reassure Mrs L that I've looked at all the information I have about her complaint. And I've thought about everything she has said. But having done so I don't think 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 L's complaint against Lloyds.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 13 November 2015.

Karen Hanlon
ombudsman