

complaint

Mr and Mrs O complain that Lloyds Bank PLC ("Lloyds") mis-sold them a packaged bank account.

background

Lloyds has told us Mr and Mrs O opened an account in 1995. Due to the passage of time, Lloyds can't confirm whether the account was opened as a Gold Service account or a fee-free account. It seems that Mr and Mrs O took Gold credit cards in 2001 and the earliest documentary evidence I've seen which shows they were paying an account fee is a statement dated 2001. But Mr and Mrs O think they were paying for the account from 1995. I've thought about this carefully but overall, I don't have enough information for me to safely say this was the case. However, the exact date the account was sold to Mr and Mrs O doesn't make a difference to my decision as I'll explain below.

The packaged account offered a number of benefits for a monthly fee. Lloyds has told us that the account was downgraded to a fee-free account in 2014 and then closed in 2015. Mr and Mrs O say that Lloyds mis-sold the account and didn't allow them to downgrade or close the account when they got into financial difficulties.

Our adjudicator didn't uphold the complaint. Mr and Mrs O disagreed with the adjudicator's opinion so the complaint has been passed to me.

my findings

I've 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 reflect those set out on our website about our approach to complaints about packaged bank accounts.

There's very little information about what happened when Mr and Mrs O took the Gold Service account. Where evidence is missing or Mr and Mrs O and Lloyds disagree, I have to look at what evidence I do have, as well as what I think is *most likely* to have happened, given the surrounding circumstances.

I've decided not to uphold Mr and Mrs O's complaint and I'll explain why.

Mr and Mrs O say they opened the Gold Service account because they were told this was the only account they could have with an overdraft. I accept it's possible they were told this. But it's also possible that Lloyds told Mr and Mrs O about the preferential overdraft available with the Gold Service account and they decided to take the account because of this. Lloyds has also told us Mr and Mrs O held an overdraft on another fee-free account from 2003. I think it's likely they would've been aware they could have an overdraft on a fee-free account at least from that point onwards. But they don't seem to have queried this with Lloyds at the time. So overall, I can't say Lloyds mis-led Mr and Mrs O into thinking they could only have an overdraft if they took, or kept the packaged account.

From what I've seen, Lloyds recommended the account to Mr and Mrs O. There's limited information about what happened or when the account was sold. So I don't know to what extent Lloyds enquired into Mr and Mrs O's circumstances at the time. But I've not seen anything to suggest that they couldn't generally have made use of the account and its benefits, at least from 2001 which is the date when I can be certain they were paying account fees.

Mr and Mrs O complain that they weren't given enough information about the account and they weren't aware of the benefits. After all this time, it's difficult to know what information Lloyds gave them about the account. So it's possible Lloyds didn't tell them everything they should have done. But I've not seen anything which Mr and Mrs O should have been told which might have made a difference to the way they could've used the account.

Mr and Mrs O have told us they went into a branch in 2005 to see a financial adviser and it was only then that they were told about the mobile phone cover, so they registered for the benefit at this point. But Lloyds has confirmed mobile cover was added to the account in 2004. So it wasn't a benefit of the account when it was sold to them and wouldn't have played a part in their decision to open the account. Lloyds has told us Mr and Mrs O registered a number of handsets from 2005 to 2007 and made a successful claim on the insurance in 2006. So it appears to have been a benefit which they decided to rely on, once it had been added to their account.

Car breakdown cover was added as a benefit of the account in 2004. Lloyds has told us that the car breakdown provider's records indicate Mr and Mrs O made six claims on this cover between 2007 and 2010. Mr and Mrs O are adamant that they didn't use the cover provided through their Lloyds account. I've considered whether it's likely that the breakdown provider might have given Lloyds information about claims made on Mr and Mrs O's personal cover, held with the same provider, and not through their bank account. But Lloyds has told us each claim was recorded under Mr and Mrs O's bank account number and sort code. And that generally consumers had to call a dedicated line and give these bank details when they wanted to make a claim for roadside assistance. Lloyds says it has asked the car breakdown provider to check whether it's mixed up information about claims made by Mr and Mrs O on their personal breakdown cover. It's told us that the breakdown provider says there's 'no way' it could have mixed up the claims.

The Gold account didn't come with relay cover, but Lloyds has told us that consumers could pay an additional fee to use this service. Mr and Mrs O have told us that they paid for relay cover with their personal insurance. They say this proves they were using their personal insurance and not the cover provided by their Gold account. The car breakdown provider has told Lloyds that it was Mr O that used the relay service in 2010. But it can't confirm the circumstances of this claim or whether Mr O paid an additional fee at the time to use the relay service. Overall, I haven't seen enough about this to come to a finding about why Mr O was given the benefit of relay service. But I don't think it makes a difference to my decision. I think it's possible that a mistake *might* have been made which resulted in Lloyds being given the wrong information about some of Mr and Mrs O's claims on the car breakdown cover. But it doesn't seem likely that Lloyds would have been given incorrect information about *all* six claims.

I appreciate that Mr and Mrs O feel strongly that they didn't use the car breakdown cover offered under their packaged account. But I have to weigh up the evidence as a whole, and I am not persuaded that the information given to Lloyds about this is wrong.

Mr and Mrs O say they didn't use the account's travel insurance. But they did go abroad on holiday and bought their own travel cover. I don't know why they didn't use the packaged account's travel insurance but they haven't told us of any reason why they couldn't have relied on the cover, if they'd needed to make a claim. They might not have taken advantage of all of the account's benefits, but this doesn't mean that Lloyds mis-sold the account to them.

Mr and Mrs O feel strongly that Lloyds didn't do enough to help them when they experienced financial difficulties. I've thought about what they've told us and I've also looked at Lloyds' internal customer contact records. But there's not enough to make me think Lloyds should have done something differently about Mr and Mrs O's account. And whilst I appreciate that Mr and Mrs O were unhappy about their situation, it's not enough for me to say Lloyds did something wrong by not downgrading their account and then closing it earlier than it did.

I appreciate that Mr and Mrs O will be unhappy with my decision and I want to reassure them that I've considered all the evidence and arguments in this case. I've thought very carefully about everything they've told us. But their comments don't change my view of this matter and for the reasons I've explained, I don't uphold their complaint against Lloyds.

my final decision

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs O to accept or reject my decision before 5 February 2016.

Sharon Parr
ombudsman