

## **complaint**

Mr and Mrs F have complained that Lloyds Bank PLC ("Lloyds") mis-sold a packaged bank account to them.

## **background**

Lloyds has told us Mr and Mrs F upgraded their fee-free account to a Platinum account online in 2008. I understand that Mr and Mrs F are not complaining about the sale of this account.

In 2012 they upgraded in branch to a Premier account. They added Club Lloyds Premier in 2014 and downgraded to a Club Lloyds account in 2015. The packaged account offered a number of benefits for a monthly fee.

Our adjudicator didn't uphold the complaint. Mr and Mrs F 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 are the same as those set out on our website about our approach to complaints about packaged bank accounts.

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

Mr and Mrs F had previously held both a fee-free account and a packaged account with Lloyds. So when they agreed to take the Premier account, I think they were aware that fee-free accounts were available with Lloyds.

Mr and Mrs F have told us they arranged a loan by way of an advance on their mortgage in order to buy a new vehicle. They told Lloyds they wanted to cancel their existing Platinum packaged account because the new vehicle came with free breakdown cover. And as the only benefit they'd used with the Platinum account was the car breakdown cover, they'd decided they no longer needed the packaged account. But Mr and Mrs F say they had no choice about taking the Premier account instead, because Lloyds told them it was the only way they could guarantee getting the extra borrowing they wanted.

I've thought carefully about what Mr and Mrs F have told us. It's possible they were given the impression they had to upgrade to the Premier account. But for me to uphold their complaint on this point I would have to find it's *most likely* that this is what happened. However, based on what I've seen, I think it's also possible they were told about the benefits of the Premier account and decided to take it.

I say this because Mr and Mrs F say that Lloyds also told them about the home emergency cover that came with the Premier account. They subsequently went on to rely on this cover, and use the preferential overdraft. So it seems likely they might have been persuaded not to cancel their packaged account but to upgrade to the Premier account. Mr and Mrs F have told us they were considering cancelling their existing packaged account. So I think it's likely they knew they had the option of continuing with their Platinum account, reverting to a fee-free account or changing to the Premier account. I know Mr and Mrs F feel very strongly they didn't have a choice about taking the Premier account. But taking the evidence as a whole, I can't safely say that Lloyds failed to give them a choice about the account or mis-led them

in some way. I think it's likely they knew they had a choice about the Premier account and they agreed to take it.

Lloyds has told us it would have recommended the Premier account to Mr and Mrs F. So it had to check it was an appropriate account for them and give them clear enough information about it. I can't be sure whether Lloyds did everything it should have done at the time. Mr and Mrs F have told us they didn't really need some of the benefits the account offered. They say they didn't travel and that they had alternative car breakdown and mobile phone cover.

But from what I've seen, I think it's likely Mr and Mrs F were aware of what the account generally offered. It seems they were told about the home emergency cover and went on to rely on it. This benefit wasn't available with their existing packaged account. They also registered a mobile phone in 2013. So I think they were still interested in the account's mobile phone cover, even though they've told us they had similar cover elsewhere. On balance, I don't think Lloyds was wrong to recommend the account to them. Mr and Mrs F had previously held a packaged account, so I think they were aware how this type of account worked and that they would be paying a monthly account fee. They might not have needed many of the benefits of the Premier account. But as I explain above, I think it's likely they agreed to take the account, realising they didn't have to do so.

Mr and Mrs F have told us they tried to claim on home emergency cover in 2015 but were told their situation wasn't an emergency. So they weren't able to claim. I can understand why this might have been frustrating for them. It's possible Lloyds didn't tell them everything it should have done about the cover. But even if it had given them clearer information, I don't think this would have led Mr and Mrs F to make a different decision about the Premier account. From what I've seen, they wanted home emergency cover and I don't think a better understanding of what constituted an 'emergency' would have put them off taking the account.

Mr and Mrs F have told us they paid off their loan in two years but they forgot about the Premier account. But Lloyds have provided an interview summary document from the time when Mr and Mrs F added the Club Lloyds Premier to their account. The document suggests that Mr F told Lloyds he didn't want to review his existing benefits but just wanted to add Club Lloyds which gave them additional banking benefits. I don't know the detail of this conversation. But Mr F has signed this document and overall it does suggest that a discussion took place in 2014 with Mr F about the account. I think this would have reminded Mr and Mrs F about their account and its benefits. They continued to hold their Premier account and attempted to claim on the home emergency cover around a year later. So I can't say they weren't aware that they still had the Premier account.

I appreciate that with hindsight Mr and Mrs F might think that their Premier account wasn't value for money and that some of the features were disappointing. But taking everything into account, I think they agreed to take the account, knowing that they didn't have to. I think they knew about the main benefits and went on to rely on some of them. And as they'd previously held both a fee-free and a packaged account, I think it's likely they were aware of the monthly account costs. Mr and Mrs F might not have taken advantage of *all* the benefits but this doesn't mean that Lloyds mis-sold the Premier account to them.

I'd like to reassure Mr and Mrs F that I've looked very carefully at all the evidence and arguments about this case. I've considered everything they and Lloyds have told us and

I realise my decision will come as a disappointment to them. But I am not persuaded that Lloyds mis-sold the account. And so I am not going to ask Lloyds to pay them any compensation.

**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 F to accept or reject my decision before 8 April 2016.

Sharon Parr  
**ombudsman**