

complaint

Mr B says that Lloyds Bank PLC mis-sold packaged accounts to him as he didn't use the benefits.

background

Mr B had a free account with Lloyds for many years. He upgraded to a packaged account (a gold account) sometime between 1997 and 2001 - it's not clear exactly when. He kept this account until 2013 when he upgraded to a more expensive packaged account (a platinum account) over the internet.

Mr B says he knew about the account benefits and that he was paying for them. He also accepts he agreed to the upgrades. But he says the gold account was mis-sold because he was told it would improve his credit rating to help him get a mortgage. And that the platinum account would mean he spent less on travel insurance. He says neither of these things were true.

Our adjudicator didn't uphold the complaint. He didn't think Mr B was misled about the gold account. And points out that Mr B didn't try and downgrade once his mortgage application was turned down (which he might've expected if Mr B had been told the gold account would help him get one). The adjudicator also said that Mr B decided to upgrade to the platinum account online and that details of the benefits were set out on the screens. He says Mr B was covered by the various insurances the packaged account provided (including the mobile insurance which he registered 3 phones under) even though he only made a claim under the car breakdown cover. He also pointed out that Mr B used an overdraft from time-to-time which he got a preferential interest rate on by having the packaged accounts.

Mr B didn't agree. He said he sometimes went abroad for more than the 45 days the platinum account travel insurance covered him for. And said he knows people in similar situations have been refunded their fees. He also says Lloyds tried to persuade him to keep the account when he downgraded last year.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. And I've decided not to uphold it. I explain why below.

the gold account

Although Mr B says he upgraded to the gold account because Lloyds told him it would improve his credit rating he also says he can't remember the upgrade very well. This is not surprising given it happened more than 10 years ago. But I find it difficult to conclude that Mr B was mis-led in the way that he says when he can't remember how he was mis-led - in that he can't remember if it was a conversation in the bank's branch or not.

Where there is a dispute about events I decide what is most likely to have happened. In this case I think it's most likely Mr B agreed to upgrade because he was attracted to some of the benefits of the gold account - initially the preferential overdraft rates and the travel insurance. And he continued to use the account when other benefits were added because he registered some mobile phones for the insurance and made a claim under the car breakdown cover.

the platinum account

Mr B upgraded to the platinum account over the internet. And I think it would've been clear to him that he didn't need to upgrade to this more expensive account if he didn't want to. The travel insurance under the platinum account provided cover for 45 consecutive days (rather than the 31 under the gold account) - and Mr B sometimes travelled for long periods. He says Lloyds told him the travel insurance would save him the £250 a year he'd have to pay for a standalone policy which provided 90 days of cover.

It seems from what Mr B has told us that he spoke to Lloyds about how many days of cover the travel insurance provided before he upgraded online - because that's why he selected the platinum account. And that this was an important feature for him. So I think it's likely he knew from that discussion how many days of cover the travel insurance provided (or even if he didn't he would've checked this online because it was the main reason he was upgrading) before he completed the application. He also knew how much the account cost and that he was receiving a number of other benefits. And I think he must've been happy with this arrangement at the time or he wouldn't have upgraded. Although it sounds like he *now* regrets that decision this doesn't mean Lloyds should compensate him.

the downgrade

Finally, Mr B says Lloyds tried to persuade him not to downgrade the account when he phoned them in 2014.

When someone downgrades an account Lloyds tries to make sure they understand the benefits they're losing - so they realise they no longer have insurance cover for certain things. Mr B thinks Lloyds went too far and tried to persuade him to keep the account. And I can see it might've seemed like that to him. But I can also see Mr B went ahead and downgraded anyway. So he hasn't paid any extra fees because of this.

my final decision

It's my final decision not to uphold this complaint.

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

Graham Booth
ombudsman