

## **complaint**

Mr L has complained that Lloyds Bank PLC ("Lloyds") mis-sold 'Select' and 'Silver' packaged bank accounts to him between 1997 and 2010. A monthly fee is paid for these types of accounts which offer several benefits in return.

Mr L has used a claims management company ("CMC") to bring his complaint to us.

## **background**

One of our adjudicators has looked into Mr L's complaint already. The adjudicator didn't think that Lloyds mis-sold the packaged accounts to Mr L and didn't recommend that Lloyds should pay him any compensation. The CMC didn't accept this recommendation and asked for an ombudsman to look at the complaint and make a final decision.

I issued a provisional decision on 4 September 2015 a copy of which is attached and forms part of this final decision.

I asked both parties to provide me with any additional information they wanted me to consider. Neither party responded with any new information.

## **my findings**

I've reconsidered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

As neither party has provided additional information for me to consider I see no reason to change my provisional decision and I do not uphold Mr L's complaint.

## **my final decision**

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 9 November 2015.

Karen Hanlon  
**ombudsman**

## **COPY OF PROVISIONAL DECISION**

### **complaint**

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### **background**

One of our adjudicators has looked into Mr L's complaint already. The adjudicator didn't think that Lloyds mis-sold the packaged accounts to Mr L and didn't recommend that Lloyds should pay him any compensation. The CMC didn't accept this recommendation and asked for an ombudsman to look at the complaint and make a final decision.

### **my provisional findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

We have explained how we handle complaints about packaged bank accounts on our website. I have used this approach to decide what to do about Mr L's complaint. I agree with our adjudicator that Lloyds did not mis-sell the packaged accounts to Mr L and doesn't owe him any compensation.

When Mr L disagreed with our adjudicator and asked for an ombudsman to look into the complaint, he told us that although he has used the AA roadside cover he has only done so this year and so it shouldn't be considered. He also said that although he registered for mobile phone insurance the bank hasn't mentioned this.

I've thought about these points carefully but they don't persuade me that our adjudicator was wrong because:

- Mr L took the Select packaged bank account by switching from a free account, and I think that it's likely Lloyds gave him a fair choice to take the packaged account or keep the free one. Mr L has said he only took the Select account because he wanted an overdraft. Lloyds have been unable to confirm exactly when the upgrade happened but it has confirmed that Mr L held his free account for at least a year before changing it to the Select account. And I haven't seen anything to suggest Mr L wouldn't have been able to get an overdraft on his free account. Mr L decided to change his Select account back to a fee free account in 2003 and he maintained his overdraft after this happened. When Mr L chose to upgrade to the Silver account he did so online through internet banking. So overall, having taken everything into consideration I think Mr L understood free accounts were available to him, but that he chose to upgrade to the Select, and later to the Silver account because he was attracted to some of the benefits they offered.
- Mr L has told us that he was advised to take out the packaged accounts. But he hasn't given us any detail surrounding this advice. And Lloyds haven't been able to confirm anything about how the account was upgraded. Taking what we know about how these accounts were arranged I think it's unlikely Mr L would've received a detailed personal recommendation at this time. And given that the second sale happened online and without any interaction with a Lloyds' representative, I don't think that it's likely Lloyds recommended the Silver packaged account either. Because of this Lloyds didn't have to check if the accounts were suitable for Mr L. However, it still had to give him enough clear information about the packaged accounts for him to decide if he wanted them.

Mr L has said that he upgraded to the Select account to benefit from the overdraft facility it offered. And I can see this overdraft was offered to him at a reduced rate. And Mr L has confirmed that when he later upgraded to the Silver account he registered his i-phone straight away. So I think there were benefits on both accounts that Mr L was attracted to.

- Mr L states that although he has used the AA breakdown cover on his Silver account twice this year, this shouldn't be considered. But I don't accept this. While Mr L hasn't needed to claim against the insurance policies on the account frequently, or prior to this year, this doesn't mean he hasn't relied on them. Insurance gives us peace of mind and Mr L still had the benefit of the cover, even if he didn't need to claim against the roadside over or mobile phone insurance earlier.
- Mr L has told us he suffered from a pre-existing medical condition but it's unclear when this issue arose. Sometimes people with medical conditions can be restricted from using elements of travel insurance policies attached to packaged accounts, so I've checked the terms and conditions of both the Select and Silver accounts to see if Mr L would've been limited in any way. The Select account didn't offer travel insurance at all. The Silver account did, and I can see that Mr L may have been restricted from claiming for anything relating to his existing condition. However Mr L has told us that he never travelled. So I don't think the travel cover interested him and I don't think further information about the potential limitations of the travel cover would've stopped him from upgrading to the Silver account.

Packaged accounts are rarely tailored to the individual, so it's unlikely Mr L would've found every benefit useful. And I've not seen anything to suggest he couldn't potentially have used most of the other benefits. Having considered everything I think that Mr L was attracted to some of the benefits of the packaged accounts and chose them because of these benefits. And while he may not have used all the benefits it doesn't mean Lloyds mis-sold the accounts.

- It's possible that Lloyds didn't tell Mr L everything it should have about the packaged accounts. But I haven't seen anything to convince me that Mr L wouldn't still have taken the account even Lloyds had told him everything.

I want to reassure Mr L that I have looked at all the information I have about his complaint. Having done so I don't think Lloyds mis-sold the packaged account to him. I don't think it owes him any money.

### **my provisional decision**

For the reasons I've explained, I don't intend to uphold Mr L's complaint.

Karen Hanlon  
**ombudsman**