

complaint

Ms W complains that she was mis-sold two packaged bank accounts by Lloyds Bank PLC.

background

Lloyds' records show that Ms W opened an account with them in 1998. Over the years this was changed to:

- Sep 01 - Budget Account
- Jan 02 - Classic Staff Account
- Jan 02 - Select Account
- Aug 09 - Silver Account
- Oct 15 - Silver Account downgraded to a free account

In addition to the accounts listed, Ms W had a separate free account with Lloyds that remained open whilst she had the packaged accounts. The Select and Silver packaged accounts came with a range of benefits in exchange for a monthly fee.

In February 2016 I issued a provisional decision on Ms W's complaint. The following are excerpts from my provisional decision which form part of this final decision:

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

I've decided not to uphold Ms W's complaint about either of the accounts.

Select Account

Ms W upgraded to the Select Account in 2002. At the time it cost £4 a month and offered breakdown cover as its main benefit. It also offered discounts on the charges connected to overdraft use – specifically a £50 interest free overdraft and the waiver of a £5 overdraft usage fee as long as the overdrawn balance didn't exceed the £50 interest free amount.

Ms W has said that she was made to think she had to take this account in order to have an overdraft. But apart from what Ms W has said there isn't any other information that makes me think she was told this. Also, Lloyds have said that having a packaged account didn't have an impact on applications for credit facilities like overdrafts. As mentioned, the account did offer discounts on overdraft use, so this benefit may be what was discussed. I haven't however seen enough information to make me think Ms W was told she had to have the account to have an overdraft.

Lloyds have said that the Select Account would have been recommended to Ms W. What this means is that Lloyds had a responsibility to assess whether the benefits of the account were appropriate for Ms W. If they weren't appropriate, Lloyds needed to make this clear to Ms W before she upgraded. As mentioned, the main benefit of the account was the breakdown cover. Ms W has told us she drove and Lloyds' records show that she used the breakdown cover several times. The interest free overdraft could also have been beneficial to Ms W. She took it out at the time of the upgrade and she has indicated to us that an overdraft was something she was interested in. And, at £4 a month, the cost of the account doesn't seem to have been unaffordable to Ms W based on the information I have about her circumstances.

Even though there seems to have been a recommendation, Lloyds still had a responsibility to provide Ms W with enough information about the account to enable her to decide if she wanted it. Lloyds have said that she would have been given a welcome pack, but I haven't seen a copy so I can't tell how clear the information in it was. With this in mind it's possible Ms W wasn't given all the information about the account at the time she was making her mind up whether to take it. Overall though, the benefits of the account seem to have been appropriate and I don't think more information would have affected how Ms W used the Select Account.

Silver Account

The only significant difference between the Silver Account and the Select Account in August 2009 was that it offered the additional benefit of European travel insurance. It was also around £1 cheaper. Initially Ms W told us that she didn't travel but more recently she has explained that she began traveling in 2009 to several countries in Europe. As the Silver Account offered travel insurance, was cheaper and included breakdown cover that Ms W used, I don't think Lloyds did anything wrong in recommending her the account. As with the sale of the Select Account, there may have been some information that Lloyds didn't give Ms W. But I don't think more information would have affected the sale or how she used the account.

I don't think the accounts were mis-sold"

response to my provisional decision

Miss W and Lloyds didn't provide any more information.

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 fair and reasonable outcome of this complaint remains as outlined in my provisional decision.

my final decision

I don't uphold Miss W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 11 April 2016.

Tope Adeyemi
ombudsman