

Complaint

Mrs K says Lloyds Bank PLC mis-sold her a Silver packaged bank account.

Background

Mrs K's account history is as follows:

- February 2008: opened as a fee-free account,
- May 2009: changed to a Silver account,
- July 2018: changed to a fee-free account.

Our adjudicator assessed the complaint and didn't think the Silver account had been mis-sold. Mrs K disagreed with this, so the complaint has been passed to me for a final decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. We've explained how we handle complaints about packaged bank accounts on our website. And I've used this approach to help me decide Mrs K's complaint.

Having done so, I don't think Lloyds mis sold the Silver account. I'll explain why.

Mrs K says she felt she had no other option than to pay for a packaged account because she was told British banks had abandoned selling fee-free accounts. She's said she was called into a meeting and was told to choose between the Silver account or the Platinum account. Lloyds has said that fee-free accounts were still widely available and the contact note from the day for the upgrade shows Mrs K agreed to the account charge.

Having carefully considered everything available to me, I think it's more likely Mrs K was aware the fee-paying Silver account was optional and that she was given a clear choice to take it out. While I don't doubt Mrs K has given her honest recollection of what happened, on balance, I think it's more likely she was aware she could have a fee-free account. I say this because fee-free accounts were widely advertised and available from banks, building societies and other financial institutions. And Mrs K had previously held a fee-free account with Lloyds for at least a year. In addition to this, the contact note completed from the time of the sale shows there was a discussion about the benefits and the charge was agreed. And I think it's more likely this is what happened.

Both Lloyds and Mrs K agree that the Silver account was recommended to her. This means that Lloyds had to make sure it was right for her based on her circumstances at the time. At the time of the sale the main benefits included, European travel insurance, breakdown cover, mobile phone insurance and card protection. Mrs K has said she didn't drive at the time of the sale, she had an old mobile phone and when she travelled, it was to visit family. So, she didn't need the benefits.

I've thought about this carefully. I can see that Mrs K travelled quite regularly around the time of the upgrade, and I see no reason why she couldn't have relied on the travel insurance. I appreciate she's said she could use the healthcare in her families' country, but

the insurance provided more than medical cover. For example, it also covered against lost baggage and cancelled flights. So, I still think she could've found it useful.

Mrs K also registered a hand set on the mobile phone insurance ten days after upgrading the account. I understand she's now said this was an old phone which wasn't worth insuring. But I don't think it's fair to say this means she didn't have a need for the cover. And the registration of a handset for the mobile phone insurance suggests she thought it was worth insuring that mobile phone at least. And I note that the Silver account was the cheapest account to offer both travel insurance and mobile phone insurance. So, I think it was the most suitable account for her based on her circumstances.

Lloyds also had to give Mrs K enough information about the account so she could make sure she wanted it. It's possible she wasn't told everything she needed to know about the ins and outs of the account. But I think it's likely the advisor would have told her about the main benefits on the account, seeing as they were trying to make the account sound attractive to her. And as she was able to register a handset on the mobile phone insurance, I do think she was given enough information to understand what she was agreeing to.

I accept that Mrs K may now, with the benefit of hindsight, believe she hasn't benefitted from the account as much as she'd hoped and expected to when she initially took it out. And given what she may have read or heard about packaged bank accounts in general, I can understand why she might now think this account was mis-sold. But I think Mrs K agreed to accept what, on the face of things, was a reasonable recommendation. So, I want to reassure Mrs K that I've independently looked at all the information provided about her complaint. And having given careful thought to what's been provided and listened to everything she's said, I don't think that Lloyds mis-sold the Silver account to her.

my final decision

I don't uphold Mrs K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 1 March 2020.

Rebecca Norris
ombudsman