

complaint

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

background

Lloyds has told us Mr and Mrs D changed from a fee-free account to a Premier packaged account in 2011. Very shortly afterwards they downgraded to a Platinum packaged account. The accounts offered a number of benefits for a monthly fee. Mr and Mrs D reverted to a fee-free account in 2015.

Lloyds has told us Mr and Mrs D weren't charged for the Premier account as it was downgraded to Platinum within the cooling off period. When Mr and Mrs D complained about their account, Lloyds refunded the difference between the fees they paid for the Platinum account and what they would have paid if they'd taken a Silver packaged account instead. Mr and Mrs D weren't satisfied with this and brought their complaint to this service.

Our adjudicator didn't uphold the complaint. Mr and Mrs D 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.

Mr and Mrs D have raised a number of issues during the course of this complaint. I have carefully considered everything they and Lloyds have told us. But I've decided not to uphold the complaint and I'll explain why.

Mr and Mrs D have told us they felt pressured to take the packaged account and they were told they had to have it to get an overdraft. They've also told us Lloyds told them they couldn't have the overdraft facility they wanted and that it would be reduced, unless they took the packaged account.

Lloyds has told us Mr and Mrs D already had an overdraft with their fee-free account. And I don't have any supporting evidence that suggests Lloyds told them they couldn't increase their overdraft facility without taking a packaged account. I don't think it's likely Lloyds told Mr and Mrs D they had to take the account in order to get an overdraft or to increase their existing facility. Overall, I'm not persuaded that Lloyds mis-led Mr and Mrs D into thinking they *had* to take a packaged account. I think it's more likely they were given a fair choice about it at the time.

Lloyds has told us it recommended the packaged account to Mr and Mrs D. I can't be sure whether Lloyds did everything it should have done at the time. And it seems that Mr and Mrs D might have been limited in the way they could use the account. So I've thought about whether Lloyds were right to recommend the account as a whole to them, in their circumstances. And whether Lloyds gave Mr and Mrs D clear enough information about the account.

Mr and Mrs D have told us they weren't advised about the insurance policies associated with their account. I understand they had to contact the travel insurance provider to ensure their pre-existing medical conditions were covered. Lloyds' records show that Mr and Mrs D contacted the travel provider on two occasions, in 2011 and 2012, and enquired on one of these occasions about a medical matter. Mr D says they were told they weren't both covered because they were high risk. So the policy might not have been right for both Mr and Mrs D. But they kept the account after they found out the travel insurance didn't give them all the cover they expected. So I can't say they would have done anything differently, even if they'd known more about the travel policy when they agreed to take the account.

Mr and Mrs D say they didn't need all the insurance policies as they were already covered. But packaged accounts are rarely tailored to an individual, so I wouldn't have expected them to need all the account's benefits. Mr and Mrs D have told us the account duplicated their existing mobile phone cover and car breakdown cover. I don't know whether Mr D's vehicle would have been covered by the packaged account's car breakdown cover. But from what I've seen, this cover doesn't seem to have been the reason they decided to take the account. Lloyds has told us they registered two handsets for the packaged account's mobile phone insurance on two occasions in 2011. It seems to me that Mr and Mrs D had decided they wanted to rely on this cover, even if they already had other mobile phone cover. I think it was up to them to cancel other policies they had, if they felt the packaged account duplicated their existing cover.

The packaged account might not have given Mr and Mrs D all they expected from it. And it seems to me there were some limits to how useful some of the benefits were to them. So I've thought about whether they would have done anything differently, if they'd been given better advice by Lloyds. But on balance, I think they still would have taken the packaged account. It seems as though they knew about, and intended to rely, on the mobile phone insurance; Lloyds has told us they've benefited from the preferential overdraft which they used fairly regularly; and they decided to keep the account, after they were told the travel insurance might not give them the cover they were expecting. So overall I can't say they would have done anything differently, in the circumstances.

Mr D says he thinks there is evidence that Lloyds systematically mis-sold these accounts. But I have to consider the specific evidence that I've seen about this particular case. With hindsight, Mr and Mrs D might feel they haven't had value for money from their packaged account. But Lloyds has offered to refund the difference in fees between what they paid for the Platinum account and what they would have paid if they'd taken a Silver account. I don't know if they would have taken a Silver account. The Platinum account offered better cover than the Silver account. But the Silver account did offer mobile phone insurance and a preferential overdraft and I think these features interested Mr and Mrs D at the time. Based on what I've seen about this case, I think Lloyds' offer to partly refund the fees they paid for the Platinum account seems fair and reasonable.

I'd like to reassure Mr and Mrs D 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 for the reasons I've explained, I'm not upholding their complaint.

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 D to accept or reject my decision before 11 April 2016.

Sharon Parr
ombudsman