

## **complaint**

Miss F has complained that Lloyds Bank PLC ("Lloyds") mis-sold a Silver packaged bank account to her in 2010 and again in 2011. She paid a monthly fee for the account and was offered several benefits in return.

## **background**

I attach my provisional decision of 11 February 2016 which forms part of this final decision. In my provisional decision I set out why I thought I shouldn't uphold Miss F's complaint. I invited both parties to make any further comments before I made my final decision.

Lloyds confirmed it had no further information to add. Whilst we have attempted to contact Miss F regarding the provisional decision and to see if she wished to add any further comment, she has not provided a response.

## **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 Miss F nor Lloyds provided any further evidence or arguments for me to look at, I see no reason to change the conclusions I came to in my provisional decision. So I don't uphold Miss F's complaint.

## **my final decision**

For the reasons I've given above and in my provisional decision of 11 February 2016, I don't uphold Miss F's complaint against Lloyds Bank PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 22 April 2016.

Donna Parsons  
**ombudsman**

## **COPY OF PROVISIONAL DECISION**

### **complaint**

Miss F has complained that Lloyds Bank PLC ("Lloyds") mis-sold a Silver packaged bank account to her in 2010 and again in 2011. She paid a monthly fee for the account and was offered several benefits in return.

### **background**

Two of our adjudicators have looked into Miss F's complaint already. The adjudicators didn't think that Lloyds mis-sold the packaged accounts to Miss F and didn't recommend that Lloyds should pay her any compensation. Miss F 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 is fair and reasonable in the circumstances of this complaint.

We've explained how we handle complaints about packaged bank accounts on our website. I've used this approach to decide what to do about Miss F's complaint. Having done so, I am currently minded to agree with our adjudicators that Lloyds didn't mis-sell the packaged accounts to Miss F and so I don't think it owes her any compensation.

I've started by thinking about whether Miss F was given a choice in taking the Silver accounts. At this point, it may help for me to explain that I have to make my decision based on what I think is most likely to have happened. In working out what I think is most likely to have happened, I have to think about everything I've been told together with what I've been provided with and see how this fits with what I do know. In other words, what I have to do, in this case, is decide what I think is most likely to have happened having weighed up what both Miss F and Lloyds have been able to provide me with.

From the correspondence, I think that there has been some confusion in what account was held when. So I think that it would be useful for me to clarify Miss F's account history. Lloyds has told us that Miss F opened a Cash account in May 2007 and then closed it in April 2008. The next account held with Lloyds was a Silver packaged account taken out in February 2010. Lloyds has told us that the information it holds suggests the first Silver account was taken out by telephone. But the account needed to be closed due to concerns over access to the account and so this was downgraded to a fee free Classic account on 4 February 2011 and closed on 8 February 2011. The replacement Silver account which Lloyds indicates was taken out in branch, had already been opened on 4 February 2011. This makes me think it is most likely the first Silver account was downgraded to avoid two fee paying accounts being held at the same time. Lloyds has also told us Miss F later opted to change her account to a Club Lloyds Silver and then a Club Lloyds account. It says both of these accounts charge a fee, but this is waived subject to a certain amount being paid into the account each month.

I understand that Miss F has said that she can't remember the first account in 2010 being a Silver account, rather she thought it was a fee free account. However, as outlined above, Lloyds has told us that (after returning to the bank from a period of absence) the account was opened as a Silver account.

I accept that Miss F's account was opened as a fee paying Silver one. But free bank accounts are widely available in the United Kingdom and I think Miss F probably knew this when she took the Silver account. I say this because from the information I have I think it is most likely Miss F had held a fee free account previously both with Lloyds and elsewhere.

When Miss F took out the Silver account for a second time, she said she was told to take it out as it had Identity Aware attached to it and it would check if any finance was opened without her

knowledge. But from what I've seen the account did not include this benefit. I understand that this was an exclusive benefit of the more expensive Premier account. So I think it is most likely that she was placed on the Silver account as it was the one she held previously.

I note that Miss F has said that she would've registered for the benefits because she thought they were perks of the bank account and hadn't realised that she was paying for the account. She has said that if she had been made aware of the fee, she would've declined the Silver account and opted for a free account or a cheaper option. However, as Miss F has held fee free accounts previously, I agree with the adjudicator, I think it's unlikely she would've thought she was receiving these benefits free of charge.

Miss F also says she wasn't made aware of the fees when registering for the devices, And I accept this is probably correct. But we wouldn't expect them to discuss fees as the registration is completed with a different department or sometimes a third party. And in any event, I can see that Miss F had to complete an application form, when she opened the Silver account for the second time, which included details of the monthly payment amount. So I think it's likely she would've been aware that there was a monthly fee at the time she took the account out. Whilst I don't have a form from when the account was taken out in 2010, as mentioned above, I think as Miss F had held a fee free account previously with Lloyds (and most likely elsewhere), she would've been aware of the different account options available to her and that she didn't have to have a fee paying account if she didn't want to.

Miss F has recently told us that she thinks the only reason she may have ended up with a Silver account was because it was the only way to get a Visa debit card. Again, had she known the cost of this account, she says she wouldn't have accepted it. Lloyds has told us that it is unable to see what type of card Miss F held with the fee free account. From what I understand Visa debit cards were available, but it has said that it may have been a Visa Electron card Miss F held which required all the funds to be available at the time of the money transfer (as it wouldn't allow for an individual to go overdrawn). However, the type of card offered would've depended on her circumstances at the time. But Miss F also banked elsewhere (before returning to Lloyds). And based on what she's said and having thought about the accounts, I think she may have had either a cash card or a debit card. So I think she probably knew she didn't have to have a Silver account to have a debit card.

Lloyds has said that it recommended the Silver account to Miss F on both occasions. So this means that it had to make a fair recommendation by ensuring that the selected account was a reasonable fit for Miss F's circumstances at the time.

From what I've seen, it looks like Miss F had a mobile phone. So I think it's fair to say that she had a need for the mobile phone insurance and that this was something she might have found useful.

I've seen that Miss F has said she held mobile phone insurance elsewhere. However, I can see that she registered her mobile phone a few months after taking out the account. So I think that she was most likely aware of the benefit and opted to make use of it. After taking out the account again in 2011, Miss F registered her mobile phone for the insurance three times between 2012 and 2015 and made contact with the insurer or its representative about the breakdown cover three times in 2013 and 2014. So while I've thought about Miss F has said, I think her actions show that she was most likely relying on what was included on the account.

Miss F has told us in her questionnaires that she had some existing insurance cover. In one questionnaire which is specific to February 2010, Miss F has said that she held breakdown cover, mobile phone insurance and ID protection elsewhere. But in another which does not show which period of time it refers to, she said she also had travel insurance and held accidental death rather than ID protection. Firstly the Silver account did not offer ID protection or accidental death cover at the time the accounts were taken out and so I do not think these would've had a factor in her decision at the time.

Looking at the travel insurance, I note that our adjudicator said that he did not think it was a suitable recommendation. This was because Miss F has mentioned worldwide travel in her correspondence, but the Silver account provides European travel insurance. However, when asked about travel

between 2009 and 2012 during correspondence with our Service, I can see Miss F has told us that she has not travelled in Europe since 2007 and she has also not travelled outside of Europe or purchased any travel insurance. With this mind, had Miss F made plans to travel within Europe, I think she would've been able to use the travel insurance as I can't see that she was ineligible for it. In addition, I can't see that she has incurred a financial loss. Turning to the breakdown cover, I note that Miss F has said that she held cover elsewhere. But I can see she went on to use this benefit at a later time. And in any event, Lloyds sold these accounts as packages for a set price and even if not all of the benefits were suitable for Miss F, I think that overall Lloyds made a suitable recommendation.

So having thought about Miss F's circumstances at the time, I think she had a need for some of the benefits included on the Silver accounts. And at the time of the respective sales, taking the Silver accounts was the most cost effective way for her to have the benefits she appears to have wanted and needed with Lloyds. As this is the case, I think that Lloyds' recommendation of the Silver account was fair, based on what I've seen of Miss F's circumstances at the time.

Miss F has said that the terms and conditions were never explained to her over the telephone. It's possible that Lloyds didn't tell Miss F everything it should have about the packaged account. But I haven't seen anything to make me think that Miss F would not still have taken the account even if Lloyds had told her everything.

I want to reassure Miss F that I've looked at all the information I have about her complaint. And I've thought about everything she has said. But having done so I don't think Lloyds mis-sold the packaged account to her. So I don't think it owes her any money.

I note that Miss F has also drawn reference to her circumstances at a later time and the charges that have been applied to her account. However, these have been investigated by this Service under a separate complaint. So I am unable to comment on this under this complaint.

### **my provisional decision**

For the reasons I've explained, I don't intend to uphold Miss F's complaint against Lloyds Bank PLC.

I now invite both parties to provide any further submission they may wish to make, in writing within one month, after which I will issue my final decision.

Donna Parsons  
**ombudsman**