

## **complaint**

Mr L and Mrs B have complained that Lloyds Bank Plc ("Lloyds") mis-sold them a fee-paying Platinum packaged bank account.

## **background**

I issued a provisional decision on this complaint, detailing my thoughts on why the complaint shouldn't be upheld, on 16 January 2018 and invited both parties to comment before I reached a final decision. I've attached a copy of my provisional decision and it forms part of this decision.

Neither party has responded to my provisional decision.

## **my findings**

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

As neither party has disputed its findings, or asked for any more time to respond, I see no reason to alter the conclusions I reached in my provisional decision of 16 January 2018.

## **my final decision**

For the reasons set out above and in my provisional decision, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L and Mrs B to accept or reject my decision before 2 March 2018.

Thomas White  
**ombudsman**

## **COPY OF MY PROVISIONAL DECISION**

### **complaint**

Mr L and Mrs B have complained that Lloyds Bank PLC ("Lloyds") mis-sold them a fee-paying Platinum packaged bank account.

### **background**

Mr L and Mrs B held a fee-paying Gold Service account from prior to September 2001 until September 2006, when the account was upgraded to a Platinum Plus packaged account.

The Plus aspect of the account was a benefit that was free of charge, which provided interest on credit balances. This was removed from the account in July 2014. And the Platinum package was removed from the account in July 2017.

Following their complaint, Lloyds agreed to make a full refund in relation to the Gold Service account fees. So Mr L and Mrs B brought their complaint about the Platinum account only to our service. Their complaint was assessed by our adjudicators, who thought that the Platinum account wasn't mis-sold.

Mr L and Mrs B disagreed and asked for the complaint to be referred to an ombudsman for 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've explained how we handle complaints about packaged bank accounts on our website. And I've used this approach to decide what to do about Mr L's and Mrs B's complaint.

I know this is going to come as a disappointment to Mr L and Mrs B, but after giving this case a lot of thought, I currently don't think this complaint should be upheld. I will explain my reasons why.

Mr L has told us that around the time of the Platinum upgrade, the account was held in joint names. He's said they wanted to remove Mrs B as an account holder, but couldn't do so because the account was overdrawn at the time. So Mrs B was an accountholder in name only and didn't have any involvement with the account at the time. Because of this, I've only looked at Mr L's circumstances at the time of the upgrade, and will refer to Mr L only.

Mr L has said that he had the Gold Service account and had intended to downgrade it. But when he went into branch to downgrade it, he was instead persuaded to upgrade his account to the Platinum account. Mr L upgraded to the Platinum account over the internet when he went home.

Based on what Mr L has said, he was clearly aware he had a choice and didn't have to have the Platinum account if he didn't want it.

Mr L says that when he was in branch prior to upgrading his account, he was told he could get the Platinum account because he was a good customer; he could make use of the benefits; and that if he went to take out a loan, he'd be looked upon favourably. Although it does sound as though Lloyds may've discussed the potential benefits of the Platinum account with Mr L, it doesn't sound as though Lloyds made a personal recommendation. I say this particularly as Mr L did not actually go ahead with the upgrade of the account when he was in branch.

This means that Lloyds didn't have to check if the account features were right for Mr L. But it was still required to give him enough information about the account, so that he could make an informed decision for himself, whether the Platinum account would meet his needs.

In September 2006, the Platinum cost £5 a month more than the Gold Service account (the Gold Service account was £10 per month at the time). And in return, the Platinum account provided enhanced levels of worldwide travel insurance (either family travel cover or winter sports cover for two people). It also provided enhanced levels of breakdown cover (including Relay, Home Start and Accident Management) and an increased interest free overdraft facility of £250 and lower overdraft interest rates on overdrawn balances beyond the interest free portion.

I think Lloyds did provide Mr L with at least some information about the account. For example, Mr L says that he wasn't told by Lloyds that he had to register mobile phones, and that he only found out he had to do so from a friend. But according to Lloyds' records, he did register a phone under the Platinum mobile phone insurance cover on 3 October 2006. This was only a short time after the account was upgraded to the Platinum account. So I think this shows that Mr L was likely to have been given information about the need to register his mobile phone, during the upgrade process.

Mr L has said that he only registered 3 of the 4 phones that Lloyds has recorded against the mobile phone insurance on the account. He also says that in the time he held the Platinum account, he had around 10 handsets, but only registered 3 of them.

But as I've said above, I think Mr L was aware of the need to register phones. So if Mr L chose not to register his phones under the mobile phone insurance, I can't say that Lloyds is at fault for this. And I note that from December 2010, phone registration was no longer necessary for them to be covered by the mobile phone insurance. So his phones would've been covered from that point on anyway.

Mr L has said that he already had breakdown cover and travel insurance, when he upgraded and so had no need of these benefits. But I think it's likely that, in trying to persuade Mr L to upgrade his account, Lloyds would've at least pointed out these benefits to him. And I think it's likely that it would've also been made clear that these were benefits of the account when Mr L upgraded online. So it would've been for him to decide whether or not he wanted to maintain any additional cover he may have had. As the account was sold as a package, Mr L couldn't pick and choose which benefits he needed. And so even if he didn't need all of the benefits, this doesn't mean the account was mis-sold.

When he was in branch, Mr L says Lloyds told him that he'd be looked on more favourably should he need to borrow, if he upgraded to the Platinum account. Having looked at Mr L's historic bank charges and interest payments prior to the Platinum upgrade, I can see that in most months in the year leading up to the upgrade, Mr L was being charged approximately £30 to £50 each month in overdraft interest. And coupled with this I can see a cheque was paid out of the account on 18 September 2006, for around £3,500. This meant the account was considerably overdrawn around the time of the upgrade.

One of the Platinum account benefits was an increased interest free overdraft facility of £250 (increased from £100 on the Gold Service account). It also provided lower overdraft interest rates when the account went overdrawn by more than the interest free portion of the overdraft, compared to the Gold Service account.

So given Mr L's overdraft usage before the upgrade, combined with the money from the cheque leaving his account around the same time, I think he may've been primarily attracted to the enhanced overdraft benefits the Platinum account provided. And it appears that Mr L initially received the Platinum account for the same price as the Gold Service account (£10 per month), for the first four months he held it.

So, taking everything into account, I think it's more likely that Mr L agreed to the Platinum account because he was attracted to *some* of its benefits – and particularly the enhanced overdraft benefits – rather than because he was told that it would improve his chances of getting a loan.

Having weighed everything up, I think that Lloyds gave Mr L enough information to at least know what the features of the Platinum account were. And I've seen nothing from his circumstances that makes me think he would've been put off from upgrading to the Platinum account, had he been given better information about it.

Finally, Mr L says that if he didn't have the Gold Service account (which has since been refunded), he wouldn't have agreed to the Platinum account. But I think he was aware he had a choice in upgrading to the Platinum account. And this combined with the fact that the Gold Service account had been sold to him over five years beforehand, doesn't mean that the Platinum account was necessarily mis-sold as well - particularly as his circumstances could've been different when each account had been sold to him.

So, having carefully considered what both parties have said and all the information they have given me, I don't currently think that the Platinum account was mis-sold to Mr L.

**my provisional decision**

Because of the reasons given above, I currently don't intend to uphold this complaint.

I now invite Mr L and Mrs B and Lloyds Bank PLC to give me any further information they want me to consider, before I make my final decision. This must be provided to us by 30 January 2018.

Thomas white  
**ombudsman**