complaint

Mr H has complained that Lloyds Bank PLC ("Lloyds") mis-sold him a Gold packaged bank account sometime before September 2001.

background

One of our adjudicators has looked into Mr H's complaint already and she didn't think that Lloyds mis-sold the packaged account to him. Mr H didn't accept this and asked for an ombudsman to look at his complaint and make 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 Mr H's complaint.

Having carefully thought about everything I've been provided with, I don't think that Mr H's complaint should be upheld. And I'd like to explain why.

I've started by thinking about whether Mr H was given a choice in taking the packaged account. 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. And in working out what I think is most likely to have happened, I have to think about everything I've been told together with everything 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 Mr H and Lloyds have been able to provide me with.

Mr H opened a current account with the then TSB in 1995. Lloyds' can't say for sure what type of account was opened as its records only go back to August 2001 - although these suggest that Mr H had a Gold account at that point. And it's my understanding that Lloyds didn't offer the Gold account until at least a couple of years or so after Mr H opened his first account. So I think that it's most likely Mr H initially opened a fee free account. Mr H has said that his account was automatically switched to the Gold account when Lloyds and TSB merged, but wasn't told there was a fee or that it was optional. I've carefully thought about this. But Mr H had a fee free account in the past. And I think he would've queried why he couldn't keep one just because Lloyds and TSB were merging if he'd been told that.

I've also thought about what Mr H has said about not being told about the fee. But I think that the fee was clearly set out on Mr H's statements and he hasn't really provided a persuasive alternative explanation on what he thought it was for. And as Mr H appears to have engaged with some of the benefits by doing things such as calling the travel insurance provider, I think it's most likely that he was told about the cost but can't recall this given just how long ago it happened.

So taking everything I've seen together, and while I've carefully thought about what Mr H has said, I think it's most likely that Mr H's account was upgraded because he agreed to it, knowing the cost involved, after having been provided with a clear choice. And I think it's likely Mr H did so because he was, at the time, though the benefits included on the account might be useful to have.

Lloyds has said that the account was recommended to Mr H. So means that it had to make a fair recommendation to Mr H, by taking adequate steps to ensure that the selected account was a good fit for his circumstances. Lloyds hasn't provided much detail on the sales process it would've used when selling the account. So I don't know how far it enquired into Mr H's circumstances before it recommended the Gold account. But, having thought about Mr H's wider circumstances and his actions since taking the account, I don't think that any shortcoming that may have existed in Lloyds' assessment of Mr H's circumstances resulted in an unfair or inappropriate recommendation being made to him. I say this because I think that Mr H was attracted to some of the benefits and he was able to use them.

As I don't know exactly when Mr H upgraded to the Gold account it's difficult for me to see what exactly he was attracted to at the time. But it looks like he's had quite a bit of contact with the travel insurance provider – albeit after the sale – and he's received preferential interest rates on at least one loan as well as his overdraft. So I don't think it's unreasonable to conclude that he may have been interested in these benefits. And at the time, the Gold account was the only way that he'd be able to have a preferential rate and travel insurance with Lloyds.

I've seen that Mr H has said that he had separate travel insurance. I don't know if he did as I've not seen anything to support this. But given the amount of contact he had with the travel insurance provider on the Gold account, it's difficult for me to agree that Mr H ended up buying cover elsewhere because he didn't know it was included with the account. And as Mr H appears to have known that travel insurance was included in the package, I can't hold Lloyds responsible if he chose to keep the account and still buy alternative cover elsewhere.

Having carefully thought about everything on this case together, including Mr H's particular circumstances, I've not seen anything to suggest that the recommendation of the Gold account was unfair or inappropriate.

I accept that Mr H may now, with the benefit of hindsight, believe that he hasn't benefitted from the account as much he had hoped and expected when he initially upgraded. And given what he may have heard or read about packaged bank accounts in general and what he's referred to in terms of payment protection insurance mis-selling, I can understand why he might now think his account was mis-sold. Especially as we're talking about events that took place the best part of twenty years ago and quite understandably he may no longer recall the reason why he took the Gold account out in the first place. But I think that Mr H upgraded to the Gold account after having been provided with a choice. And having thought about everything I've seen on this case, I don't think that the account was an unreasonable fit for Mr H bearing in mind his circumstances at the time.

I want to reassure Mr H that I've looked at all the information provided about his complaint. And I've thought about everything he's said. But having done so, I don't think that Lloyds mis-sold the packaged account to him. So I don't think it owes him any money.

my final decision

For the reasons I've explained, I don't uphold Mr H's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr H to accept or reject my decision before 18 February 2016.

Jeshen Narayanan

ombudsman