

## **complaint**

Mr and Mrs F have complained that Lloyds Bank Plc ("Lloyds") mis-sold them two packaged bank accounts. They paid a monthly fee for the accounts which provided several benefits in return.

## **background**

Mr and Mrs F's account was opened in 1987. Lloyds' earliest records show that it was a fee-free Classic account in September 2001.

The account was first upgraded to a Platinum packaged account in May 2006. It was upgraded again, to a Premier account, in March 2009 and this became a Premier Vantage account in July 2009. The "Vantage" part of the Premier account didn't cost extra and from what I know, only provided enhanced interest rates.

The Premier Vantage account package was removed and the account reverted to a Club Lloyds account in June 2014.

Our adjudicators didn't think that Lloyds mis-sold the packaged accounts to Mr and Mrs F and didn't recommend that Lloyds should pay them any compensation. Mr and Mrs F didn't agree so they asked for an ombudsman to look at the 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. I've used this approach to help me decide what to do about Mr and Mrs F's complaint.

Where evidence is incomplete and matters are in dispute, as they are here, I make my decision based on what I think is *most likely* to have happened – keeping in mind everything I've seen and been told.

After giving Mr and Mrs F's complaint a lot of thought, I don't think the packaged bank accounts were mis-sold to them. I'll explain why.

When they raised their complaint Mr and Mrs F made a number of points in relation to whether they had a fair choice about upgrading their account. I've thought very carefully about all of those points, and in particular I note that they've said their account was upgraded without their knowledge or consent. I note from the initial complaint they raised with Lloyds that they said they weren't told about the availability of fee-free accounts, they were told they'd have to take a packaged account in order to get a loan, overdraft or mortgage. They also say that they were told they were ineligible for fee-free accounts.

*were Mr and Mrs F given a fair choice?*

I've started by thinking about whether Mr and Mrs F were given a fair choice when they took their packaged accounts.

From what I've seen I don't think Mr and Mrs F needed to be told about the availability of fee-free accounts. They'd already held one for almost twenty years by the time their account was upgraded for the first time. I also haven't seen anything to suggest they'd have believed they had to upgrade in order to take some sort of lending; neither party has given me any information to make me think that's the case. And Lloyds says it's not able to see any lending applications or any changes to their overdraft around the time of this upgrade.

Lloyds has provided a note from its records from the day Mr and Mrs F's account was upgraded to the Platinum account. The note, whilst brief, does persuade me that at least one of them was present when the upgrade took place. It also refers to a Lloyds employee arranging to call Mrs F a few days later, to discuss booking an appointment.

Mr and Mrs F dispute that they were present at the time the account was upgraded. They say that Lloyds' records back this up, as Lloyds appears to have upgraded their account and then tried to book an appointment in for months afterwards in an effort to cover up the mis-selling.

Having thought about this, I don't agree that Lloyds' notes after the upgrade suggest it tried to defraud anyone or cover up any wrongdoing. I think it's more likely that the note relating to arranging an appointment was a referral to another staff member, to discuss a different banking product – possibly some form of investment or lending. And I can't agree that any of the notes I've seen suggest Lloyds chased Mrs F for months in relation to the packaged account. The next note (in September 2006) appears to relate to a quote for a loan, and whilst there's a note in November 2006 which says "appointment declined" there's nothing to suggest this relates to the packaged account sold some five months earlier.

Turning to the upgrade to the Premier account, I've also reviewed Lloyds' contact history. The notes again suggest that a discussion took place, and that Mr and Mrs F upgraded for the additions benefits it offered. The note also makes reference to a "YPSOR" (Your Personal Summary of Recommendations) being completed; I don't think this could've been done without at least one of Mr or Mrs F knowing about it.

Although I haven't seen the YPSOR in full, I've seen an extract of it. So I'm satisfied that it was completed and it looks as though Mr and Mrs F chose to take the Premier account for the Identity Theft Protection it provided. It's impossible for me to know how full the conversation was, or what exactly was discussed during it, but I do think it's more likely than not that it took place.

I've again reviewed Lloyds' system notes around the date of the Premier upgrade. The following notes – dated June and July 2009 – again don't relate to the sale of the Premier account. So I also can't agree here that Lloyds tried to cover its tracks after the sale.

I also note that Mr and Mrs F say they were pressured into the upgrades, and there was no cooling-off period. But as I've explained, they'd previously held a fee-free account, and I think it's more likely than not that they were aware they could've kept that if they wanted to. After upgrading, had they wanted to, they could've downgraded from the packaged accounts at any time. I've not seen anything to suggest they wanted to, or asked to do this, and weren't able to.

Having considered everything, I'm satisfied that Mr and Mrs F had a fair choice about upgrading their account on both occasions, and they chose to do so. Given the varied nature of their complaint points I'm not persuaded that they were left with no option but to upgrade, and the evidence I've seen points to the fact that some sort of discussions place; even if Mr and Mrs F don't now remember them.

*did Lloyds make a fair recommendation?*

Lloyds recommended the packaged accounts to Mr and Mrs F. So it had to make sure that their benefits were a reasonable fit for their circumstances. That's to say, it needed to make sure the benefits were appropriate for their needs and there wasn't anything unusual about them that would've prevented them from being able to use them.

Lloyds says it completed a YPSOR at the time of both sales. I've seen extracts of these and it looks as though the Platinum account was recommended for the travel insurance and car breakdown cover it provided. And as I've said, it looks as though the Premier account was recommended for Identity Theft Protection.

Mr and Mrs F first used the Platinum account's benefits in 2006 when they called the breakdown cover provided for a "Home Start" callout. The records I've seen also suggest they used the Home Start service again in 2011, and again for a recovery in 2012.

Mr and Mrs F dispute using the breakdown cover. They say they already had more comprehensive cover in place. They also say the car registration used was their son's car, and although he didn't live with them, was still registered as living at their address.

Lloyds has provided information from the breakdown provider to show that the first two breakdown callouts were made from Mr and Mrs F's home phone number and were for Home Start callouts. The second was made from Mr F's mobile, and I note the recovery service was used, as opposed to Home Start.

I don't know whether Mr and Mrs F continued to hold duplicate breakdown cover for all of the time they held their packaged accounts. But it appears that based on their engagement with this benefit, they were relying on the cover – at least to some extent. And given the origin of the phone calls used to make the claims, I'm not persuaded that Mr and Mrs F didn't use the cover.

Mr and Mrs F also say they didn't have expensive mobile phones that would've warranted being covered by a separate insurance policy. They explain that their phones would've been covered by their home contents cover.

Lloyds has provided evidence that Mr and Mrs F registered several phones against the mobile phone insurance policies provided by their packaged accounts. The first phone was registered in July 2006, and a further six were registered in the years following that.

I understand that Mr and Mrs F might not have wanted, or indeed used all of the benefits of their packaged accounts. And in particular I note that they didn't hold passports at the time of the first upgrade, and they say they didn't afterwards. So whilst I understand they might not have wanted to use the accounts' travel insurance for overseas travel, that doesn't mean that they were *ineligible* for the insurance, should they ever have wanted to use it. Nor does it mean that they couldn't have used it for travel within the United Kingdom. So this doesn't make me think Lloyds' recommendation was unsuitable or unfair.

Having considered the information I've seen, I'm satisfied that Lloyds recommended suitable packaged accounts based on what it knew about Mr and Mrs F's circumstances at the time. I haven't seen anything to suggest the recommendations it made were wholly inappropriate for them, and whilst they may not agree, it's clear they were able to rely on at least some of the insurance benefits, to some extent, over several years. So I think Lloyds' recommendations were fair.

*did Lloyds give Mr and Mrs F enough information?*

As well as making fair recommendations, Lloyds had to give Mr and Mrs F enough clear information about the packaged accounts for them to decide if they wanted them.

For the reasons I've explained above, I also think that Mr and Mrs F were given information about, and were interested in some of the benefits of the packaged accounts, and chose them because of these benefits. I accept that they may not have used all the benefits, and with hindsight they might not think the accounts have been good value for money to them. But this in itself doesn't mean Lloyds mis-sold the accounts and doesn't make me think Lloyds should uphold their complaint.

I also fully accept that it's possible Lloyds didn't tell Mr and Mrs F everything it should have about the packaged accounts. But I haven't seen enough to make me think that Mr and Mrs F wouldn't still have taken the account even if Lloyds had told them more about them.

I want to reassure Mr and Mrs F that I've looked at all the information I have about their complaint. And although I haven't listed each and every point individually, I've thought carefully about everything they've said. But having done so I don't think Lloyds mis-sold the Platinum and Premier accounts to them. So Lloyds doesn't need to put anything right.

I know that Mr and Mrs F feel strongly about their complaint so I'm sure this will come as a disappointment to them. But I hope they understand the reasons for my decision.

**my final decision**

For the reasons I've explained, I don't uphold Mr and Mrs F's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs F to accept or reject my decision before 21 November 2019.

Sam Wade  
**ombudsman**