

The complaint

Mr J has complained to Lloyds Bank PLC about the packaged bank account he was sold in 2013.

What happened

The circumstances that led to this complaint are well known to both parties, so I won't repeat them in detail here. But, in summary:

- Mr J took out a Classic current account with Lloyds TSB in 2010 and switched to a packaged bank account – the Silver Added Value Account (AVA) – in May 2013. Since then Lloyds TSB has split up and Mr J's account is now held with TSB. But Lloyds has taken responsible for his complaint about the packaged account mis-sale. Mr J says he thought he was paying the fee for his overdraft but he's now found out he could have had an overdraft facility for free. So he wants all the account fees he's paid since 2013 to be refunded, with interest.
- Lloyds says it didn't advise Mr J to take out the packaged account. He applied for the account online and would have been presented with information at the time which would have explained the costs and benefits so that he could make an informed choice about whether to switch accounts. And he's made use of some of the benefits over the years. So it refused to refund any of the fees Mr J has been charged.
- One of our investigators looked into Mr J's complaint and didn't think Lloyds mis-sold the account. Mr J disagreed and so the complaint has come to me for review.

What I've decided – and why

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 J's complaint. Having done so, I've reached the same conclusion as the investigator, and for much the same reasons. I won't repeat everything they said but note, in particular that:

- The bank's records indicate that the account in question was opened in 2010 around the time Mr J was separating from his wife, with whom he'd previously held a current account with the same bank. He seems to have opened the account while in branch, whereas the account switch in 2013 was completed online.
- Mr J switched his account online so there was no interaction with a member of the bank's staff and no advice was given. Mr J was free to review the information provided online and then made the choice to change to a fee-paying account, which afforded a number of benefits.

- It's not clear to me why Mr J thought he was paying the monthly fee solely in order to get an overdraft facility which was £1,000 in 2013. I've seen nothing which suggests the bank told Mr J this and he seems to have had an overdraft facility previously, with his free Classic account. But he wasn't actually using the overdraft facility at the time he chose to switch to the Silver ASA and, in fact, he had a healthy credit balance in his account in the months before and after the switch.
- The fee Mr J was paying entitled him to various benefits which includes a £50 interest and fee-free overdraft as well as European travel insurance, Breakdown cover, mobile phone insurance and card protection. Mr J has disputed the bank's assertion that he registered a mobile phone with the insurance provider in 2013 and, understandably given the time that's passed, the bank hasn't been able to provide much detail around this. But it's also said that he used the breakdown cover in 2014, 2018 and three times in 2022. In the circumstances, I think it's more likely than not Mr J was attracted to the various benefits afforded by the account and was willing to pay a fee for them. There's also some evidence which suggests Mr J has been sent correspondence at various points in time which explained the costs and benefits of the account. And, if he wasn't happy with any of this along the way, he could have instigated further discussions with the bank.

I accept that Mr J may not have taken advantage of all the benefits on offer, and for which he was eligible, over the years. But that, in and of itself, doesn't mean the fees should be refunded.

I understand Mr J is also unhappy that his account wasn't downgraded to a fee-free account until last year. But that's not a matter I can consider as part of this complaint. He needs to pursue that complaint against TSB.

Overall, and in all the circumstances, I'm not persuaded that it would be fair to instruct the bank to refund any of the packaged account fees (or related interest and/or charges) Mr J has been charged over the years.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 27 February 2024.

Ruth Hersey
Ombudsman