

complaint

Mr and Mrs S complain Lloyds Bank PLC mis-sold them a packaged bank account. They're unhappy as Mr S wouldn't have been covered under the travel insurance as he had existing medical conditions. They're also unhappy with the mobile phone insurance as they were already covered with their household insurance and held breakdown cover elsewhere.

background

Mr and Mrs S had held a fee free account with Lloyds since 2006. It was upgraded to a Silver packaged bank account in August 2011.

In response to the complaint Lloyds paid Mr and Mrs S £50 compensation as they shouldn't have been recommended the travel insurance. Mr and Mrs S were not happy with this and believe, because the travel insurance was unsuitable, the account was unsuitable and so they want a refund of all the fees paid for the account.

Our adjudicator considered their complaint but didn't think the bank had done anything wrong. The bank had provided evidence to show that Mr and Mrs S had been made aware that any existing medical conditions wouldn't be covered by the travel insurance. He was also satisfied Mr and Mrs S were attracted to the mobile phone insurance.

Mr and Mrs S have asked for the matter to be reviewed by an ombudsman. In summary they said:

- Lloyds has already admitted to selling them an unsuitable product and they received £50 compensation.
- This means the whole sale was flawed.
- Although they were told some conditions were covered they assumed this to be serious condition, such as cancer.
- Although they did sign the documents they didn't read them and they felt pressured into the upgrade.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. I have also taken into account the law, any relevant regulatory rules and good industry practice.

Although Lloyds said it had sold an unsuitable product in its response to Mr and Mrs S' complaint, when sending its file to us it said the amount was paid as Mr and Mrs S had said they weren't told their existing medical conditions wouldn't be covered. It referred to the documentation that showed this was discussed and mentioned the terms and conditions. It further said it didn't think the product had been mis-sold or that Mr and Mrs S didn't have a need for it. So although Lloyds has already paid Mr and Mrs S £50 it's of the view it didn't do anything wrong. I therefore need to decide whether Lloyds did anything wrong and if it did, what it must do to put that right.

Having considered all of the evidence and information provided I've decided not to uphold Mr and Mrs S' complaint.

Mr and Mrs S opened an account with Lloyds in 2006. This was a free fee account. It remained a free account until it was upgraded in August 2011. At this time Mr and Mrs S received advice from Lloyds about the upgrade. It's my understanding the adviser would have discussed various matters with Mr and Mrs S and complete a 'Your Personal Summary and Our Recommendation' on the computer.

This summary is record of what was discussed in the meeting, and it shows under the Travel Insurance section that:

'Existing medical conditions: You told me that you have an existing medical condition. You understand that you will not be covered for this condition'.

So although I have taken into account that Mr S thought this was only serious conditions, such as cancer, the recommendation suggests he was informed that *his* conditions wouldn't be covered. The application that Mr and Mrs S signed also told them existing conditions weren't covered. Under 'Exclusions relating to your health' Mr and Mrs S were told:

'This policy does not cover claims arising from any medical conditions which at the time of opening your Silver current account, or when booking any trip you or any other person to be covered by this policy have, have had or are aware of (whether diagnosed or not).

Do you understand and accept these exclusions?

Next to this question was a ticked box.

The application form was signed by both Mr and Mrs S on 2 August 2011. Given the document was asking Mr and Mrs S to confirm they understood and accepted they wouldn't be covered, I find it most likely this was completed by Mr and Mrs S at the time. I therefore find, on balance, that Lloyds did make it clear Mr and Mrs S wouldn't be covered for any existing conditions under the travel insurance.

Mr and Mrs S have also said they already had cover for their mobile phones with their household insurance and held breakdown cover with another provider.

But I'm aware Mr and Mrs S registered two handsets for mobile phone insurance through the upgraded account and that Mr S had started the claims process. This suggests to me that mobile phone insurance was something they were attracted to when taking out the account, even if they held some form of cover elsewhere. I appreciate Mr S might not have had a good experience with the company who handled his claim, but I'm nevertheless satisfied this was a benefit they wanted in 2011.

And in relation to the existing breakdown cover, it was recorded on the recommendation form that Mr and Mrs S already had cover. And the form suggests Mr and Mrs S were told the recommendation to have breakdown cover was based on them reviewing their existing provision to make sure they had the right level of cover. So it appears this was taken into account by Lloyds at the time. It was then essentially up to Mr and Mrs S to decide what to do about any duplicate benefits they may have had.

Having considered the matter carefully, I'm satisfied that Mr and Mrs S were provided with information they needed about the account and its benefits, particularly in relation to the travel insurance. It was for them to decide whether or not the cover was sufficient for them, and the benefits attractive enough for the cost of the account. Although Mr and Mrs S have

said they were pressured into the account I've not seen any persuasive evidence of that or that they couldn't continue with their free account had they wanted to. I find it most likely Mr and Mrs S freely chose to upgrade their account because they were attracted to the benefits they were offered.

I therefore don't require Lloyds Bank PLC to do anything more than it has already done in response to this complaint.

my final decision

For the reasons given above, my final decision is that I don't uphold Mr and Mrs S' complaint against Lloyds Bank PLC.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs S to accept or reject my decision before 9 July 2015.

Claire Hopkins
ombudsman