

complaint

Mr H has complained that Lloyds Bank PLC ("Lloyds") mis-sold a 'Sliver Added Value Account' packaged bank account to him in 2011. He paid a monthly fee for the account and could have used several benefits in return.

Mr H has used a claims management company (CMC) to bring his complaint to us.

background

One of our adjudicators has looked into Mr H's complaint already. The adjudicator didn't think that Lloyds mis-sold the packaged account to him and didn't recommend that Lloyds should pay Mr H any compensation. The CMC didn't accept this recommendation and 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 is fair and reasonable in the circumstances of this complaint.

We have explained how we handle complaints about packaged bank accounts on our website. I have used this approach to decide what to do about Mr H's complaint. I don't think that Lloyds mis-sold the packaged account to Mr H.

When the CMC disagreed with our adjudicator and asked for an ombudsman to look into the complaint, it stated that:

- the reason Mr H agreed to upgrade his account was because he was told he could save money on his overdraft fees through reduced rates attached to the packaged account and that these savings would outweigh the overall cost of the account.
- Mr H had no need for either the travel insurance or the car cover as he rarely travelled and had cover for his company vehicle through work.
- the only additional benefit Mr H could have had any use for was the mobile phone insurance but that the excess fees attached to this weren't properly explained and when Mr H enquired about claiming against it decided the excess was too expensive and abandoned the claim.

I've thought about these carefully but they don't make me think the account was mis-sold because:

- Mr H took the packaged bank account by switching from a free account. The notes Lloyds have provided from Mr H's account indicate that he first discussed upgrading his account in May of 2011. However he decided to wait before upgrading as he was planning to change his mobile phone wanted to use the mobile phone insurance. The upgrade then happened in September that year. So taking everything into consideration I think that Lloyds gave Mr H a fair choice to take the packaged account or keep the free one and that he decided to upgrade after he had changed his phone.

- It's not clear to me whether Lloyds recommended the account to Mr H. But even if it did, I've not seen anything which makes me think the account and the overall package of benefits weren't suitable for him.
- The CMC has told us that the only reason Mr H agreed to upgrade his account was because he was told he would save money on his overdraft and that these savings would be large enough to off-set the cost of the account each month. I don't know what was discussed with Mr H when he agreed to upgrade his account. But I've not seen anything to suggest that he couldn't potentially have benefited from the account's preferential overdraft, so it seems to me he might have been attracted by this benefit, even though he didn't go on to make extensive use of it. Lloyd's customer contact notes suggest that he was primarily interested in the mobile phone insurance. So I think it's most likely that Mr H was attracted to the account primarily for this reason and not just because of the preferential overdraft rates.
- Mr H has told us that there were benefits attached to the account that he had no use for, such as the travel insurance and the car cover. However Mr H didn't have to be attracted to all of the benefits in order to want to upgrade his account. I think that Mr H was attracted to some of the benefits of the packaged account, such as the mobile phone insurance, and chose it because of these benefits. He may not have used all the benefits available to him but this doesn't mean Lloyds mis-sold the account.
- Lloyds had to give Mr H enough clear information about the packaged account for him to decide if he wanted it. It's possible that Lloyds didn't tell Mr H everything it should have about the account. But I haven't seen any evidence that there was anything that Mr H should have been told that would have led him to make a different decision about the upgrade. Mr H has told us that he only realised that he would be required to pay an excess fee when he asked about claiming against his mobile phone insurance nearly two years after upgrading his account. He said that the cost of the excess was so high he found he could pay to have his phone repaired privately for less. But I can see that Mr H kept his packaged account for over a year after this so I still think there were elements of the account that he was attracted to. And I think that even if Lloyds had given him clearer information about the excess charges to him he would still have taken the account.

I want to reassure Mr H that I have looked at all the information I have about his complaint. Having done so I don't think Lloyds mis-sold the packaged account to him.

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 10 July 2015.

Karen Hanlon
ombudsman