

The complaint

Mr G is unhappy that he's been charged a fee for the packaged bank account he's held with Lloyds Bank PLC for many years.

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 G has held a current account with Lloyds since 1996 and has upgraded it more than once to a packaged account, whereby he's paid a monthly fee which entitled him to certain benefits. The most recent upgrade, and the only one Mr G has asked us to consider under this complaint, took place in November 2007 when he moved to a Premier account.
- Mr G recalls being pressured into moving to the Premier account – he initially refused, but then agreed to, the upgrade after being told he wouldn't get the loan he wanted, unless he upgraded. He says he quickly realised he was being charged a fee and noticed that this increased over the years. But he didn't realise he could complain until earlier this year.
- Lloyds initially said that Mr H had brought his complaint too late. But our investigator disagreed and the bank then consented to us considering the merits of the complaint about the Premier upgrade. Another of our investigators then looked into the merits of Mr G's complaint and concluded that Lloyds had not mis-sold the account. Mr G disagreed, 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.

Having done so, I've reached the same conclusion as the investigator and, for much the same reasons, I don't think the Premier account was not mis-sold. I won't repeat everything the investigator said but I note, in particular that:

- In his initial submissions to the bank and this service, Mr H said the upgrade took place in November 2005 and he was looking to take out a loan then too. But the bank's records indicate the upgrade this complaint concerns took place two years later, in 2007 and there was no loan taken out then. Mr G had previously upgraded his account in December 2005 and a loan was taken out soon after. Memories fade over time and I think it's possible Mr G has confused what happened when he upgraded in 2005 with what happened in 2007. As I've already said, this complaint only concerns the sale of the Premier account in 2007 and I've seen little which supports Mr G's assertion that he was pressured into upgrading then. The bank's notes from the time indicate Mr G wanted to upgrade in order to get a cheaper overdraft and other benefits and he was also considering upgrading his credit card. Mr G had two other packaged bank accounts prior

to the upgrade and I think it's more likely than not the bank explained what options were available to him – which probably included talking about the fees and related benefits – and this enabled him to make an informed choice to upgrade to Premier from his existing packaged account.

- I've seen nothing which suggests Mr G couldn't, or hasn't, derived benefits from holding the Premier account. As he points out, he didn't change his overdraft limit at the time but the Premier account increased, by £250, the interest-free portion of his overdraft limit and reduced the interest rate he would have to pay on the rest. The bank's records also show he made claims on the breakdown cover in 2018 (which was after his wife stopped working for a breakdown assistance provider) and he made three enquiries about the travel insurance cover between 2014 and 2018. It's possible Mr G hasn't 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 account was unsuitable or that the fees should be refunded.
- Mr G has noted that the account benefits have reduced over time and I think it's likely he's aware of this because he received some correspondence from the bank, over the years, about changes to the Premier fee and benefits. Mr G suggests he didn't realise he could complain about the original sale of the account. But I've not seen anything which suggests he thought he had to keep the packaged account forever. So if he was unhappy with the account benefits, given the fee he was being charged, then he could have researched this online and/or discussed the situation with the bank and downgraded his account.

In all the circumstances, I think it's likely Mr G was aware he was paying for a packaged bank account and made use of some of the benefits. I can't fairly conclude that the account was mis-sold to him and/or that the bank should refund the account fees he's paid 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 G to accept or reject my decision before 9 January 2024.

Ruth Hersey
Ombudsman