

The complaint

Mr D and Miss D have complained that they were mis-sold a packaged bank account by Lloyds Bank PLC ("Lloyds"). Mr D and Miss D have said that they needed to take out the account in order to obtain a mortgage. Their account history is as follows

- Fee-free Classic account taken out in December 2002
- Upgraded to a fee-paying Silver account in February 2010.

What happened

One of our adjudicators looked into this complaint already, and they did not think that the Silver account was mis-sold. Mr D and Miss D did not agree with this and requested a final decision.

This decision only relates to the joint Silver account that was taken out in February 2010.

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 account on our website. And I've used this approach to help me decide Mr D and Miss D's complaint.

Having carefully thought about everything I've been provided with I am not upholding this complaint. I will explain why.

I've started by thinking about whether Mr D and Miss D were given a clear choice in taking the Silver account. At this point, it may help for me to explain that where matters are in dispute – such as here - I have to make my decision based on what I think is more likely than not to have happened, based on the available evidence.

In relation to the Silver account, I can see that Mr D and Miss D had held a free account with Lloyds prior to this upgrade. So I think, at the very least, they would have been aware that free account were available. Mr D and Miss D say that they were told they needed to upgrade the account to get a mortgage. However, apart from their testimony, there is no other evidence to indicate that mortgages were mentioned during the sale of the account. And they had taken out a mortgage in 2007 while holding a fee free account which they still held. So Mr D and Miss D appear to have been aware at the time that they didn't need any particular type of account, in order to have a mortgage with Lloyds. Based on the evidence available, I think it more likely that they agreed to the Silver account due to the benefits that it came with rather than because of their mortgage.

When the Silver account was taken out it came with European Travel Insurance, Breakdown cover and Mobile phone insurance. I can see that Mr D and Miss D claimed under the mobile phone insurance and inquired about the Travel insurance cover. This suggests that these benefits could have been of interest to them. Additionally, a note from the time of the sale suggests that the Silver account was taken out specifically for the Travel insurance. So overall I think that Mr D and Miss D were given a fair choice to take out the account and they chose to do so.

I note that Mr D and Miss D have not said that the benefits of the account were unsuitable for them. But I will address, for the sake of completeness, whether the recommendation Lloyds made was appropriate.

Overall, I am satisfied that a personal recommendation was made when this account was sold. So Lloyds had to ensure that this recommendation was appropriate, given Mr D and Miss D's circumstances at the time. From what I can see Mr D and Miss D did travel, drove and owned mobile phone handsets. So I don't think that recommending they take out this account that included travel insurance, mobile phone insurance and breakdown cover was unreasonable.

I can understand that this will be disappointing for Mr D and Miss D and I can see that with hindsight, they may not feel that the Silver account provided good value for money. But that in itself does not mean that Lloyds was wrong to have sold the account when it did.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D and Miss D to accept or reject my decision before 29 September 2023.

Charlie Newton
Ombudsman