

## **The complaint**

Miss G says Lloyds Bank PLC mis-sold a payment protection insurance (PPI) policy alongside a credit card in 1999.

## **What happened**

In early 1999 Miss G applied for a credit card. At the same time, PPI was added to the account. The cost of the PPI was charged to the account, so she'd repay the extra she borrowed, with interest, in line with the account's terms and conditions.

Miss G thinks the PPI was mis-sold.

Our adjudicator looked at the complaint and didn't think it should be upheld. Miss G didn't agree with the adjudicator. The complaint has been referred to me.

## **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 set out our general approach to complaints about the sale of PPI on our website and I've taken this into account in deciding Miss G's case.

I've decided the policy wasn't mis-sold. I'll explain why.

I've first looked at whether Miss G chose to buy the policy. Miss G says she can't remember where the sale took place. But her representatives have also told us that if the optional nature of the policy had been made clear, she would have declined the policy. So I've thought about this alongside the other information I've seen about the sale.

Lloyds has sent us a copy of the application form for the credit card. I see that to apply for PPI Miss G needed to complete a section of the box headed "Payment Protection Plan". This included two options. The first option is labelled

"Yes, I wish to take out Card Payment Protection (at 77p per month per £100 outstanding balance) and protect my payments should I be made unemployed or be off work due to accident or sickness."

This box is ticked. There's a second box labelled

"No, I do not wish to protect my Credit Card payments and acknowledge that as always, I remain responsible for all payments even if I am not able to work."

This second box is not ticked. I also note that there were other options on the form, such as card registration and protection, which Miss G has not selected. And I see the form is also completed with Miss G's details, and she has signed it to agree to the credit card - so I think it's likely this document reflects any discussion that happened at the time. For these

reasons, I think that Lloyds made it clear that Miss G had a choice - and Miss G chose to buy it.

Lloyds says the application took place during a meeting. So it thinks it would have advised Miss G to buy the policy. As such, it needed to make sure the policy was right for Miss G. Based on what I've seen of Miss G's circumstances, I think it was. Miss G doesn't appear to have been affected by any of the main things the policy didn't cover. While I acknowledge that Miss G received some sick pay from her employer, this policy would pay up 10% of the outstanding balance of her credit card each month for up to a year if she was off work sick - and also offered cover if she lost her job. If she was off work sick, the benefits would continue to be paid after she stopped receiving her full salary from her employer. So I think Miss G had a need for the cover.

It's possible the information Lloyds gave Miss G about the PPI wasn't as clear as it should have been. But she chose to take it out - so it looks like she wanted this type of cover. And it seems like it would have been useful for her if something went wrong. It also looks like it was affordable. So I don't think better information about the PPI would have put her off taking out the cover.

I've considered the further points Miss G has made. But these don't change my conclusion.

### **My final decision**

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 6 January 2020.

Edward Hardman  
**Ombudsman**