

complaint

Mr N says Lloyds Bank PLC mis-sold him a payment protection insurance (PPI) policy.

Our adjudicator didn't think the complaint should be upheld. Mr N disagreed, so the complaint was passed to me – an ombudsman - to look into afresh and issue a final decision.

my findings

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 here.

Having done so, I've decided not to uphold Mr N's complaint. I'll explain why.

When selling the PPI to Mr N, Lloyds should've made it clear the policy was optional. It also should've got Mr N's agreement to take it out. Mr N says he wasn't told the policy was optional. Lloyds hasn't been able to tell us how the PPI was sold. Mr N says it was either on the phone or over the internet. In any event, I have limited information about the sale. And in cases where I have limited information about a sale, I have to decide what I think is *more likely* to have happened based on the information and evidence I have seen.

Lloyds has looked at Mr N's complaint as though the PPI was taken out when the credit card began in October 1995. This seems reasonable given there is limited information. Lloyds also hasn't got any paperwork from the time of sale. This is unfortunate, but unsurprising given how long ago the credit card and PPI were taken out. It has however provided us with a sample application form which it says is similar, if not the same as the one that would have been completed when Mr N was sold the PPI. Within this application I can see there is a separate section called '*TSB Credit Card Payments Insurance*' and within this there is a statement about the PPI. The customer can tick a box if they wish to proceed with the cover or leave it blank. I would've expected Mr N to read over this form and raise any questions he had at the time before signing it.

So based on the evidence I've been provided, I think it's most likely Mr N knew at the time that the PPI was optional and that he decided to take it. But I can understand why he might not recall this now, as the sale took place many years ago.

I've looked at Mr N's case on the basis that Lloyds advised him to take out the policy. This places a greater responsibility on Lloyds as it should've made sure the policy was right for him. Based on what I've seen of Mr N's circumstances at the time the PPI was sold, I think it was. I say this because:

- Mr N appears to have been eligible for the policy.
- Based on what Mr N's told us about his circumstances at the time of sale he

wouldn't have been affected by any of the things the policy didn't cover – like known health issues or unusual employment arrangements. So there was nothing to stop him claiming the full benefit of the policy if he'd needed to.

- Mr N says he would've received employer benefits at the time. The PPI could've been of use to Mr N as it would've paid 10% of the outstanding balance on the card for up to 12 months if he couldn't work due to illness or if he was made redundant. This would've been on top of any employer benefits he may have got, meaning he would've been able to use this for other everyday living expenses.
- I haven't seen anything to suggest the PPI wasn't affordable to Mr N. And as the premium was paid monthly, he could have cancelled the policy at any time if anything in his circumstances changed.

As well as checking the policy was suitable for Mr N, Lloyds also should've given him clear information about the policy so that he could make a proper choice about whether or not to take it out. I can see Mr N says he wasn't told about the terms and conditions of the PPI. I don't know what steps Lloyds took to explain things and it's possible some things weren't explained as clearly as they should've been. But I don't think clearer information would've changed Mr N's decision. I think he'd still have bought it. I say this for the same reasons I think the policy was suitable for him.

I've thought about everything Mr N has said, but these points don't change my decision – and for the reasons set out above, I don't think the policy was mis-sold. I know this will be disappointing for Mr N, but I hope my decision clearly sets out my reasons.

my final decision

For the reasons I've given, I don't uphold this complaint against Lloyds Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 23 September 2020.

Chandni Green
Ombudsman