

The complaint

Mr A says Lloyds Bank PLC (“Lloyds” trading at the time of sale as TSB) mis-sold him a payment protection insurance (PPI) policy.

What happened

Mr A says he bought a monthly premium PPI policy in September 1996 at the same time as taking out a credit card during a meeting. The card ended in 2006.

Mr A says the policy was mis-sold to him. Mr A says he had no idea he had the PPI policy and was unaware that it was added to his card.

Our adjudicator didn’t uphold the complaint. Mr A disagreed with the adjudicator’s opinion so the complaint has been passed to me, an ombudsman, to make a decision.

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 Mr A’s case.

I’ve decided not to uphold Mr A’s complaint because:

- I can’t be sure how the policy was presented to Mr A when he discussed having a credit card with an advisor from Lloyds. But I’ve looked at sales documentation and considered what I know of Lloyds’ branch sales at that time. After doing this, I consider it is most likely that he was advised it was a good idea to have the insurance to protect his card repayments, and he took it on that advice by signing the agreement.
- I have come to this conclusion because I can see in the sample application form provided that there is a separate section for PPI where Mr A would have had to tick a box to agree to it. PPI is also described within this sample application as an optional requirement. I haven’t been able to see any evidence that anything different happened in this sale and although I do acknowledge what he has said, Mr A’s recollections have not persuaded me on this occasion that anything different happened here. So, on balance, as I have already concluded, I think Mr A was given a choice in the meeting.
- I think Lloyds recommended the PPI to Mr A, but it doesn’t look as if it was unsuitable for him based on what I’ve seen of his circumstances at the time. The benefit provided by the policy would have been useful to him if he had any extended period of sickness or unemployment (he told Lloyds that he had statutory sick pay and around £1000 of savings to rely on). Any claim could have been paid for up to 12 months and would have provided him with additional income at a difficult time.
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So, I think the policy recommended to Mr A would have been of use and so I cannot conclude that it would have been unsuitable for him based on what I have seen. I also don't think there were any significant terms or exclusions that made the policy unsuitable for Mr A either.

- Lloyds has been unable to provide evidence that it provided clear costs at the time of sale. But I don't think Mr A would've changed his mind about taking the policy if this cost was presented clearly to him during the meeting (for the same reasons why I think the policy is suitable).
- Its possible Lloyds didn't point out the main things the policy didn't cover. But its unlikely Mr A would've been affected by any of these, due to his circumstances at the time of sale.

I know this will be a disappointment to Mr A but I cannot find a reason to uphold his complaint.

My final decision

For the reasons set out above, I don't uphold Mr A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 4 March 2021.

Mark Richardson
Ombudsman