DRN-2435678

The complaint

Mr W says Lloyds Bank PLC ("Lloyds"), trading as TSB at the time, mis-sold him a payment protection insurance ("PPI") policy.

What happened

Mr W's complaint is about the sale of a PPI policy, which ran alongside a credit card he took out in May 1996. It's not clear when the PPI was added to Mr W's credit card account, but Lloyds has told us it's likely it was sold to Mr W somewhere between May 1996 and January 2000.

The policy cost no more than 79p per £100 of Mr W's outstanding monthly statement balance. And if he was too ill to work or made involuntarily redundant, it would have paid off 10% of that balance for up to 12 months per claim.

Our adjudicator didn't uphold the complaint. Mr W disagreed with the adjudicator's opinion, so the complaint has been passed 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 Mr W's case. Having done so, I've decided not to uphold Mr W's complaint and I'll explain why.

Lloyds had to make it clear to Mr W that the policy was optional, and it had to get his consent before applying PPI to his account. Lloyds says it would have done this, but Mr W says he wasn't aware PPI was added.

The sale took place a long time ago, so neither party has been able to provide much information. Because of this, I need to decide what I think is most likely to have happened when the PPI was sold.

Over the years, we've seen a number of Lloyds cases involving various methods of sales from around the same period Mr W would have been sold his PPI. Using what I know generally of Lloyds' sales practices at the time, I think it's more likely than not Mr W would have been given an option to take out the PPI and that Lloyds would have gained his consent before adding it to his credit card account.

In addition to this, I can see the PPI appeared on Mr W's credit card statements as *"PAYMENTS INSURANCE - PREMIUM"* and I think this is quite prominent. So, while Mr W says he didn't know he had PPI, I think it's likely he would have seen this and if he wasn't sure what it was for, I would have expected him to query the transactions with Lloyds much sooner.

For these reasons, I think it's more likely than not that Mr W was aware he had a choice about buying the PPI, and that he chose to take it at the time. I note that Mr W says he has no recollection of taking out the credit card either, so it's understandable if he doesn't remember this now – some 24 years later.

Mr W says he didn't receive any advice from Lloyds. But Lloyds doesn't know how the policy was sold, so it's reviewed the sale as though advice was given. This puts more responsibility on Lloyds – it means it had to check the policy was suitable for Mr W. So, in fairness to him, I've considered the case on the basis that advice was given.

Based on what Mr W's told us about his circumstances at the time, the policy appears to have been suitable for him. I say this because from the information I've seen, Mr W was eligible for the policy and he doesn't appear to have been affected by any of the things that might have made it harder for him to claim on the policy, such as having a pre-existing medical condition, or unusual employment circumstances.

Mr W says he was entitled to some sick pay from his employer and he had less than three months' other means he could have used. But the policy would have paid out on top of anything Mr W received from his employer and potentially for longer. Mr W could also have claimed again subject to a requalification period. So, I think Mr W still could have found the cover useful if he fell on hard times.

I also haven't seen anything to show the policy was unaffordable for Mr W.

In addition to making sure the policy was suitable for Mr W, Lloyds also needed to give him enough information about the policy so he could decide whether to take it or not.

It's possible the information Lloyds gave Mr W about the terms and cost of the policy wasn't as clear as it should have been. But for the same reasons as I think the policy was suitable for Mr W, I don't think better information would have made a difference to his decision to buy it. It follows that I don't think the PPI was mis-sold.

My final decision

For the reasons explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 24 March 2021.

Hanna Johnson
Ombudsman