

## The complaint

Miss R says Lloyds Bank PLC mis-sold her a payment protection insurance (“PPI”) policy.

## What happened

This complaint is about a credit card PPI policy. Miss R opened the credit card account with Lloyds (which was trading at the time as TSB) in 1994. Lloyds no longer has a record of when or how Miss R took out the PPI, but it’s likely that it was added to the card when she took it out. Miss R says she applied for the credit card at a branch of the bank.

Our adjudicator didn’t uphold the complaint. Miss R disagreed with the adjudicator’s opinion so the complaint’s 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 Miss R’s case.

I’ve decided not to uphold Miss R’s complaint.

- Lloyds no longer has a copy of Miss R’s application for the credit card or PPI. I think that’s understandable, given how long ago the sale took place. Where the evidence is incomplete or inconclusive, I need to decide what I think’s most likely based on the information I have.
- Lloyds has provided a copy of the type of credit card application form that was used for credit card sales in its branches at the time. It includes equally prominent options to take or decline PPI. I think it’s likely, on balance, that Miss R ticked the box on the credit card application form to say that she wanted to take PPI. And if she took out the policy at some point after she opened the credit card account, I think it’s unlikely she’d have thought that the PPI was compulsory. So overall, I think Lloyds made Miss R aware that the PPI was optional and that she chose to take it –although I can understand why she may no longer remember this, so long after the event.
- If Lloyds recommended the policy to Miss R, it had a responsibility to make sure that it was suitable for her. Miss R says Lloyds *didn’t* recommend the PPI or give her advice about it. Even if that’s the case, Lloyds still had a duty to give Miss R enough information to enable her to decide whether the policy was right for her. But it doesn’t look as if the policy was unsuitable for Miss R, based on what I’ve seen of her circumstances at the time. And I’m not convinced that she’d have decided against taking the cover if Lloyds had given her clearer information. I’ll explain why.

- Miss R's told us she'd have been entitled to little, if any, sick pay from her employer at the time, and she's not sure if she'd have been entitled to redundancy pay. So I think she could have struggled quite quickly to keep up with her monthly payments if she'd been off sick, or if she'd lost her job. The PPI policy would have paid 10% of the outstanding balance on Miss R's credit card for up to 12 months per successful claim for accident, sickness or unemployment.
- I've borne in mind that Miss R's told us that if the worse came to the worst, she could have sold her car. But I can't be sure that she could have done this quickly or easily, or how much she'd have got for the car. And given that Miss R would have received little or no pay from her employer if she'd been off sick, and isn't sure what, if any redundancy pay she'd have been entitled to, I can't be confident that she could have lived on the proceeds of sale of her car for long.
- I acknowledge that Miss R's also mentioned that her family would have helped her financially if necessary. But circumstances can change, and I can't be sure Miss R's family would have been in a position to help if the need had arisen. So taking everything into account, I think the PPI could have been useful for Miss R, at what could have been a difficult time
- It's possible the information Lloyds gave Miss R about the PPI wasn't as clear as it should have been. But I've explained that I'm satisfied that Miss R chose to take out the policy, so she appears to have wanted this type of cover, even if she's understandably forgotten that now, so many years later. Based on what she's told us about her circumstances at the time, she wasn't affected by any of the main things the policy didn't cover. The policy was competitively priced and apparently affordable. And since Miss R was paying for it monthly, she could have cancelled it at any time without further cost if her circumstances changed, or if she decided she no longer wanted the cover.
- So taking everything into account, I think it's unlikely Miss R would have made a different decision about the PPI if better information had been provided. On balance, I think she'd still have taken out the policy.

**My final decision**

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 25 March 2021.

Juliet Collins  
**Ombudsman**