

## **The complaint**

Ms W complains that Lloyds Bank PLC (when it was trading as TSB) mis-sold her a payment protection insurance (“PPI”) policy.

## **What happened**

This complaint is about a PPI policy which protected the monthly repayments on a credit card which Ms W took out in January 1999.

Neither Lloyds nor Ms W could be certain exactly when PPI was sold or how Ms W took it out. But it’s not in dispute that she had PPI. So it must have been added to her account either when Ms W opened her credit card account or sometime after.

Our adjudicator didn’t uphold the complaint. Because Ms W disagreed, her complaint comes to me for a final decision.

Ms W said PPI was mis-sold to her mainly because she doesn’t feel it was something she ever needed. She told us that when she took out her credit card she had money in the bank, her employer paid sick pay, her car was paid for and her living arrangements at the time meant that she didn’t have any household costs to meet and no significant outgoings. So she told us she would’ve been able to make her credit card monthly repayments even if she wasn’t able to work.

## **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 this case.

I’ve decided not to uphold Ms W’s complaint. I’ll explain why.

The original paperwork from the sale is no longer available. It wouldn’t be reasonable to expect Ms W to remember all the details of a sale that took place so long ago. So I can’t know exactly what Lloyds might’ve said to Ms W when she applied for her credit card and/or the PPI.

Lloyds has provided an example of a credit card application. I can see that this was in use when Ms W took out her credit card – and that she would’ve had to say if she wanted to add on PPI to her account, otherwise her credit card would’ve been issued without PPI.

I don’t know if this is the same form that Ms W would’ve filled in as it’s not clear exactly when she took out PPI on her credit card account . So I’m not just relying on this.

In order to uphold this complaint I’d have to find that it’s likely that Ms W wasn’t given a fair choice about PPI or that it was added to her account without her consent. But I can’t fairly

say this based on the very limited information I've got. I must look at the available information and take into account the wider circumstances. I have to be impartial.

Thinking about her overall circumstances and what the policy offered, it looks to me like Ms W could've found the PPI useful if she had needed to make a claim.

On balance, this makes me think that it's likely that Ms W was persuaded of the need to protect her credit card monthly repayments by taking out the PPI when it was offered to her and she decided to buy the policy. So Lloyds added PPI to her account at her request.

In fairness to Ms W, Lloyds has looked at this complaint on the basis that it recommended she take out PPI as this gives her complaint the best chance of success. If a financial business makes a recommendation about PPI, it has an extra obligation to take reasonable steps to make sure the cover it recommends is suitable as well as giving important policy information in a clear way.

Ms W told us she changed jobs in or around November 1999 and I've seen information that shows she was paying for PPI in January 2000. So I've thought carefully about everything Ms W has told us about her job and financial situation when she took out her credit card. And as well as this, I've looked at what Ms W has been able to remember about her next job – just in case there's a possibility she didn't take out the PPI at the same time she took out her credit card.

I've no reason to doubt Ms W when she told us that she's certain both jobs provided her with sick pay – even if she couldn't recall how much sick pay her employers would've paid. The policy could've paid more than her minimum credit card repayments for up to 12 months if Ms W couldn't work as a result of accident or sickness. I think it's very unlikely that her employment benefits would've matched this policy benefit. I say this because it would be unusual for anyone to have 12 months full sick pay entitlement – and often there might be a qualifying or probationary period before a benefit like this can be relied on. I'm mindful that Ms W had been working in her job for just 6 months, in quite a junior position, when she took out her credit card.

So I think the policy likely offered Ms W better sick cover than she could've been sure her employer would pay.

And the policy also covered Ms W in the event she lost her job unexpectedly and found herself out of work.

I don't know if Ms W would've always had money in the bank she could've relied on to cover her monthly repayments if she wasn't able to work as everyone's circumstances can change. The policy could've cleared her card balance if she had claimed for the full 12 months it might potentially have paid out.

So it looks to me as if a PPI recommendation was suitable for Ms W based on what she's told us about her circumstances at the time.

It's possible that some information Lloyds gave Ms W about the PPI wasn't as clear as it should've been. But it doesn't look like Ms W was likely to be affected by any of the policy exclusions or limitations. So, even if not everything was mentioned, I don't think that knowing more about things the policy didn't cover would've made any difference to Ms W's decision to take it out.

I don't know if Lloyds properly explained what the policy would cost, or what it might pay out if Ms W made a claim. But she chose to take out the policy when she didn't have to – so it appears that she wanted to have it. It seems to have been affordable for her at the time. Looked at overall, I don't think Ms W would've been put off buying the policy even if she'd been better informed as it gave her useful protection in her particular circumstances. On balance, I think she'd still have taken out the policy.

This means I don't think that Ms W has lost out as a result of anything that Lloyds did wrong. So there's nothing it needs to do to put things right.

### **My final decision**

For these reasons, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 23 March 2021.

Susan Webb  
**Ombudsman**