

## **The complaint**

This complaint is about a payment protection insurance (PPI) policy and is brought by Mrs D and the estate of Mr D.

Mrs D says Lloyds Bank PLC originally offered a substantial sum for financial redress – over £8,000 - relating to a mis-sold PPI policy. Lloyds then later withdrew that offer. Mrs D thought the original offer should stand.

## **What happened**

I issued a provisional decision (PD) about this case in February 2022 comprehensively setting out why I thought the complaint should be partly upheld. Broadly, I said the original cash offer Lloyds had made shouldn't proceed, even though this would no doubt be disappointing given the circumstances of what happened.

However, I thought Lloyds ought to pay Mrs D a larger sum for distress and inconvenience than it had originally offered to Mrs D.

I then asked both parties to provide any further submissions or information to me within one month. Mrs D said she would accept my proposed decision. Lloyds didn't reply.

My PD should be read in conjunction with this final 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.

In this case, we know the PPI was mis-sold to the late Mr D and he was offered some redress for this. This amounted to £8,241.62 according to Lloyds. Unfortunately, this redress was later withdrawn because it was discovered that the late Mr D – he had since passed away - had been paid back more from the successful claims he made on the PPI, than he'd ever paid in premiums. Put another way, Lloyds says Mrs D and the estate of Mr D isn't out of pocket in this regard. So, as I explained in my PD, I can't make a direction that the redress originally offered, should be paid because businesses are allowed to offset in this way. I therefore do not uphold this part of the complaint.

However, as I also said in my PD, this complaint has not been fully resolved to my satisfaction. It was very clear that Mrs D was in a vulnerable position having lost her husband when the original offer was made. The delays then endured in explaining why Lloyds wasn't going to pay the money were wholly avoidable and the later letter Mrs D eventually received about this was poorly drafted, and in my view, insensitive. Lloyds' inaction caused Mrs D distress and inconvenience.

I therefore uphold this part of the complaint and direct that the £50 previous offer Lloyds made for the distress and inconvenience suffered, should be increased to £300.

### **Putting things right**

I direct Lloyds Bank PLC to pay Mrs D and the estate of Mr D £300 for the distress and inconvenience suffered as a result of Lloyds' failings in this case.

### **My final decision**

I do not uphold the part of the complaint from Mrs D and the estate of Mr D that Lloyds should still pay the £8,241.62 redress it originally offered and later withdrew.

I do, however, uphold the other part of the complaint and direct Lloyds Bank PLC to pay the £300 redress outlined above for the distress and inconvenience it caused. I direct Lloyds Bank PLC to pay this within 14 days of Mrs D and the estate of Mr D's acceptance.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D and the estate of Mr D to accept or reject my decision before 1 April 2022.

Michael Campbell  
**Ombudsman**