

complaint

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

background

This complaint is about a credit card PPI policy. Mr H took opened a TSB Trustcard credit card account in 1995. The PPI policy was added to the account either when Mr H opened the account, or at some point between then and January 2000, which is the earliest that Lloyds has a record of PPI premiums showing on Mr H's credit card statements.

Our adjudicator didn't uphold the complaint. Mr H disagreed with the adjudicator's opinion so the complaint's been passed to me.

my findings

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 H's case.

Where the evidence is incomplete or inconclusive I need to decide what I think's most likely based on the information I have.

I've decided not to uphold Mr H's complaint. I'll explain why.

- Mr H's representatives say that he has no recollection of any PPI sale. Lloyds no longer has a copy of Mr H's application form or credit agreement for the card. I don't think that's surprising or unreasonable, given that Mr H opened the account so long ago. It has, however, provided a sample of the type of application form that was in use when Mr H opened the account.
- The sample application form includes a section on PPI, with a brief description of the cover, and a box to tick if the applicant wished to take it. I think it's likely that the form that Mr H completed would have been in a similar format. And I'm satisfied from the way the PPI is presented that Mr H would have realised that he had a choice about whether to take it.
- I've borne in mind that I can't be certain that Mr H took out the PPI at the same time as the credit card. But from what we know about how Lloyds sold PPI on credit cards between 1995 and 2000, I think it's more likely than not that it would have made Mr H aware he had a choice about PPI. And if he didn't take PPI when he first applied for the card, but had already had the card for some time when he took the cover, I think he'd have realised that the PPI wasn't compulsory. So on balance, I'm satisfied that Lloyds made it clear to Mr H that he had a choice about whether to take PPI, and he chose to take it, knowing that he didn't have to.
- If Mr H applied for the credit card during a meeting, as he says he did, I think it's likely that Lloyds recommended the PPI to him. This means it had a responsibility to check that the cover was right for Mr H. But it doesn't look as if it was unsuitable, based on what I've seen of his circumstances at the time.

- Mr H wouldn't have been entitled to any sick pay if he'd been unable to work due to sickness or accident. And he's told us he didn't have any other means he could have used to make his credit card repayments if he'd been unable to work. The PPI would have covered his monthly credit card payments for up to 12 months per successful claim for accident, sickness or unemployment. So I think Mr H could have benefited from the cover at what it's likely would have been a difficult time.
- It's possible the information Lloyds gave Mr H about the PPI wasn't as clear as it should have been. But I'm satisfied that Mr H chose to take out the policy. So it looks as if he wanted this type of cover, even if he's understandably forgotten that now. And from what I've seen of his circumstances at the time, he wasn't affected by any of the policy's exclusions or limitations. I've borne in mind that Mr H's told us he was self-employed. And it's true that some policies we've seen contain provisions which make it harder for self-employed people to make a successful claim. But that wasn't the case here.
- The policy was competitively priced, and I've seen nothing to suggest that Mr H couldn't afford it. So taking everything into account, I think it's unlikely he'd have made a different decision if better information had been provided. On balance, I think he'd still have taken out the policy.

I've taken into account all Mr H's comments, including what his representative's said about the cancellation process for the PPI not having been explained. I don't know what, if anything, Lloyds told Mr H about his right to cancel. But I've concluded that Mr H chose to take the policy out, knowing that he had a choice. And if he subsequently changed his mind, I think it's more likely than not that he'd have contacted Lloyds to ask to cancel the policy. So this doesn't change my conclusion.

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 Mr H to accept or reject my decision before 12 December 2018.

Juliet Collins
ombudsman