

complaint

Mr B says Lloyds Bank PLC (then Lloyds TSB) mis-sold him a payment protection insurance (PPI) policy.

background

Mr B bought the policy in 2003 at the same time as taking out a loan. The loan included an amount to pay for the policy.

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

my findings

I've considered all of 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 B's case.

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

Mr B says that he felt pressured into taking out the PPI policy. I don't *know* what was said to him at the time. But I don't think there's enough to say Lloyds Bank pressured him into taking the policy.

Pressure is a subjective area. It's possible that Lloyds Bank made Mr B feel that he ought to take the policy. But it's also possible he was encouraged to reflect on whether he was able to make his repayments if something went wrong.

So while Mr B has given us his recollection of the sale, I don't think I can fairly say he was pressured into buying the policy all that time ago based on recollection alone.

I also think it's more likely Lloyds Bank made Mr B aware the PPI was optional and that he chose to take it knowing that.

I say that because I've seen a copy of the loan agreement Mr B signed. It set out the costs of the PPI separately to those of the loan – and described it as optional. It also had separate "Yes" and "No" boxes next to "*Optional Loan Protection*". The "Yes" box has an "X" in it. And while that means it was pre-printed before Mr B signed it, I think that's likely to have been the result of a conversation he had with Lloyds Bank about PPI.

Lloyds Bank says it recommended the PPI to Mr B – which meant it had to make sure it was right for him. And looking at his circumstances at the time, it doesn't look like the policy was unsuitable for him.

I think Lloyds Bank could've explained the cost of the policy better than it did as it doesn't look like it set out the interest payable on the premium or the total cost. But even if it had, I think Mr B would've still bought the policy given what little the missing information amounted to - and the fact that he could've got back quite a bit more than what he paid for the policy had he made a successful claim.

It looks like Mr B would've received a limited refund of the PPI premium if he cancelled the policy early. I don't know if Lloyds Bank thought about this when it recommended the policy to him. But I've seen nothing to suggest he thought he would repay the loan early. So I don't think this made the policy unsuitable – or that better information about this would've stopped Mr B buying it.

It's also possible Lloyds Bank didn't point out the main things the policy didn't cover. But given Mr B's circumstances, it's unlikely he would've been affected by any of these.

my final decision

For the reasons set out above, I don't uphold Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 13 May 2016.

Morgan Rees
ombudsman