

## **complaint**

Miss G says that Lloyds Bank PLC mis-sold her a credit card ('PPI') policy.

## **background**

I issued my provisional decision in November 2018, a copy of which is attached and forms part of this final decision. In my provisional decision I explained why I was not intending to uphold Miss G's complaint. I asked everyone to send me any further comments and information before I reached a final decision. Neither Miss G or Lloyds responded with anything further for me to consider.

## **my findings**

I've re-considered all the evidence and arguments already sent to us to decide what's fair and reasonable. As I've not received any new evidence, I've reached the same conclusions I reached in my provisional decision, for the same reasons.

## **what the business needs to do**

Lloyds has to pay back to Miss G any commission and profit share it got that was more than 50% of the PPI premium. Lloyds should also pay back to Miss G any extra interest she paid because of that.

Lloyds should re-work the credit card account and pay back to Miss G the difference between what she owes and what she would've owed if the commission and profit share it got hadn't been over 50% of the cost of the PPI. Lloyds should also pay Miss G 8%\* simple interest if Miss G paid off her credit card at some point.

\*Businesses have to take basic rate tax off this interest. Miss G can claim back the tax if she doesn't pay tax.

## **my final decision**

For the reasons I've explained, I don't uphold Miss G's complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 21 January 2019.

Sonia Hussain  
**ombudsman**

copy of provisional decision

## **complaint**

This complaint is about payment protection insurance (PPI) taken out in 1995 on two credit cards which were sold together - a Trustcard Visa and a Trustcard MasterCard. Miss G says Lloyds Bank PLC, TSB at the time, mis-sold her the PPI.

## **my provisional findings**

I've considered all the available evidence and arguments to decide what is 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 G's case.

I'm not currently intending to uphold Miss G's complaint and I'll explain why.

I think Lloyds made it clear that Miss G didn't have to take out the PPI and she chose to take it out - although I can understand why she can't remember this. I say this because Lloyds has provided me with a copy of the credit card application completed at the time -the same application was used to take out both cards. The copy isn't very clear so Lloyds has also provided me with a clearer blank application too to look at alongside Miss G's application. I can see PPI has been selected and Miss G has signed the application-which I think indicates that she wanted the cover. As Miss G was agreeing to additional credit, I would have expected her to have read the form and raised any questions she had at the time before signing in agreement with it.

Lloyds recommended the PPI to Miss G so it had to check that the PPI was right for her and based on what I've seen of her circumstances at the time, I think that it was. For example she wasn't affected by any of the exclusions to or limits on the PPI cover and she seems to have had a need for the cover.

Miss G has said she would have received some sick pay at the time if she was too ill to work as well as having some savings. But this policy would cover 10% of the outstanding balance of her account for up to 12 months if she was too sick to work or she lost her job. And this would be in addition to any other pay she would receive. This would mean any savings she had could be left intact or free to be used for other outgoings, so I think there was still a benefit to her.

Miss G has said she had another insurance policy that would have covered her repayments which meant she didn't need the PPI. However, this insurance policy was taken out in 2003 - so *after* the sale of PPI.

It's possible the information Lloyds gave Miss G about the PPI wasn't as clear as it should've been. But she chose to take it out - so it looks like she wanted this type of cover. And it seems like it would have been useful for her if something went wrong. It also looks like it was affordable. So I don't think better information about the PPI would have put her off taking out the cover.

This means Lloyds doesn't have to pay back all of the cost of the PPI to Miss G. But Lloyds will pay back some of the cost of the PPI to Miss G because:

- When the policy was sold, Lloyds expected to get a high level of commission and profit share (more than 50% of the PPI premium) - so it should have told Miss G about that. Because Lloyds didn't tell Miss G, that was unfair.
- To put that right, Lloyds has basically offered to pay back the amount of commission and profit share that was above 50% of the PPI premium - and I think that offer is fair in this case.

I've thought about everything Miss G has said but these points don't change my decision.

#### **what the business needs to do**

Lloyds has to pay back to Miss G any commission and profit share it got that was more than 50% of the PPI premium. Lloyds should also pay back to Miss G any extra interest she paid because of that.

Lloyds should re-work the credit card account and pay back to Miss G the difference between what she owes and what she would've owed if the commission and profit share it got hadn't been over 50% of the cost of the PPI. Lloyds should also pay Miss G 8%\* simple interest if Miss G paid off her credit card at some point.

\*Businesses have to take basic rate tax off this interest. Miss G can claim back the tax if she doesn't pay tax.

**my provisional decision**

For the reasons set out above, I don't currently intend to uphold Miss G's complaint but would ask Lloyds Bank PLC to pay back to Miss G any commission and profit share it got that was more than 50% of the PPI premium.