

## **complaint**

Mr H says Lloyds Bank plc (Lloyds) mis-sold him a regular monthly premium payment protection insurance (PPI) policy.

## **background**

Lloyds sold Mr H the PPI with a credit card in 1998.

The PPI included unemployment, accident and sickness cover and cost around £0.79 for every £100 of outstanding monthly balance. For a successful claim it would pay 10% of the outstanding monthly balance for up to 12 months.

Our adjudicator didn't think Mr H's complaint should be upheld but Mr H didn't agree. So, the complaint comes to me to decide.

## **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 complaint.

Lloyds needed to make clear to Mr H the PPI was optional. Mr H hasn't given us much detail about this. But I think that's understandable as the sale happened so many years ago. So I've relied more on what the documents from the time show.

Lloyds sent us a copy of the application form Mr H signed. The form has a section about the PPI with a box for Mr H to tick to confirm if he wanted PPI. I can see the box has been ticked. And Mr H signed the application form very close to this signature.

So I think at the time Mr H would've realised he had a choice about taking PPI. And because the box was ticked and the form signed, I think Mr H chose to take PPI. Also - based just on what Mr H's told us - I can't say it's likely Lloyds did do things to make him feel pressured into taking PPI or think it wasn't optional.

Lloyds recommended the PPI to Mr H so they had to take adequate steps to make sure it was suitable for him. I don't know what was said in the meeting so I can't say if Lloyds did take adequate steps. But even if they didn't I think the PPI was suitable for Mr H for the following reasons.

Mr H met the PPI's requirements and so was eligible for it. I've set out the PPI's costs and main benefits above. And nothing I've seen suggested Mr H needed to keep his costs down.

Mr H said on his credit card application that he was employed at the time. And he told us he had no work sickness benefits (except statutory sick pay) and savings worth around six months of his pay.

Nothing I've seen suggests - if he couldn't work - Mr H had any other ways to help pay the monthly card *and* his other living costs once any savings ran out. So I don't think Mr H's existing cover made the PPI unsuitable.

I've also not seen anything in Mr H's circumstances at the time that might've made it difficult for him to claim if needed. For example, Mr H said he was working 16 hours or more a week. So he wouldn't have been affected by anything in the PPI about unusual employment issues.

And some PPI makes it harder for people with certain health issues to claim. But from what Mr H told us about his health at the time, I don't think this would've been an issue for him either.

So I think the PPI was suitable for Mr H.

Lloyds needed to properly explain the PPI's costs, benefits, exclusions and limitations. Lloyds haven't told us anything that explains what was said to Mr H about these things. So I don't know if they did give Mr H all the information he needed to know before taking PPI.

But did Mr H lose out as a result - would he have taken the PPI if he'd been properly told about it?

I've explained why I think the PPI was suitable for him. And I think - given his circumstances at the time - Mr H would've taken the PPI anyway. Because he'd have thought its costs and benefits were competitive and the cover gave peace of mind. And as he was taking on debt having PPI was a prudent thing to do.

So I don't think Mr H lost out as I think he would've taken the PPI anyway if he'd been properly told about it.

### **my final decision**

For the reasons I've explained above I don't uphold Mr H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 30 January 2017.

Julian Cridge  
**ombudsman**