

## **complaint**

Mr S complains he was mis-sold a payment protection insurance (PPI) policy when he took out a personal loan with Lloyds Bank Plc trading as Lloyds TSB.

## **background**

Mr S took out a small personal loan with Lloyds in 2006. At the same time he bought a single premium PPI policy. The PPI cost was added to his loan and he paid interest on it. The policy should've covered the repayments on his loan if he was too ill to work or if he was unexpectedly unemployed.

Mr S's representatives make numerous complaints about the sale, so I've looked at the entire process to decide whether the policy was mis-sold.

The adjudicator didn't think there was a reason to uphold Mr S's complaint. Mr S, through his representatives, disagreed with the adjudicator's view. And they've asked for the matter to be looked at again.

## **my findings**

I have 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 Mr S's case.

Having looked at everything, I've decided not to uphold the complaint. And I'll explain why.

One of Mr S's complaints is that he wasn't allowed to refuse the policy – so he says it wasn't made clear to him that it was optional. Lloyds gave us a copy of his loan agreement. And there's a section on it relating to the PPI. I accept the loan agreement has pre-populated answers typed onto it – and I saw there's other information electronically completed on the form which I think probably came from a conversation with him - for example the length and amount of the loan and his personal details. So I think these answers were likely to have been decided after Mr S's conversation with the adviser – including his answer on whether to buy PPI.

Mr S signed the credit agreement under the line "*I wish to purchase Loan Protection Insurance*" followed by a tick in the box. If he hadn't agreed to buy the policy I think he'd have asked about this when he reviewed the form. And I think the form showed Mr S that he had a choice about taking it because it gave him the option to decline it.

So I think Mr S knew he had a choice about the policy and decided to buy it.

Lloyds advised Mr S to buy the policy, so it had to take reasonable care to make sure it was suitable for him. There's a "*Demands and Needs*" statement which shows this was done at the time. But I've also looked at Mr S's circumstances at the time of sale to see if the recommendation would've been suitable for him. I think it was. And I say this because Mr S was eligible for the policy and it seems it was affordable for him.

I also looked separately at the things not covered by the policy (the exclusions.) I saw on the demands and needs statement that Mr S said he had consulted a doctor about a pre-existing medical condition in the 12 months before he bought the PPI. In usual circumstances, I'd expect this to mean Mr S couldn't claim for his medical condition. But the adviser said in the statement that he'd advised Mr S he may not be able to claim if the condition occurs again within 12 months of the date of the loan agreement. So I think he was properly warned about the policy terms. And I think he decided to buy the policy anyway. So I don't think that made the policy unsuitable for him.

Mr S recently told us he already had a standalone protection policy – so he didn't need to buy the PPI with his loan. But I saw in the demands and needs statement that he told the adviser he didn't actually have any other existing policies – and I think that is probably what he said. I do appreciate Mr S has given us his best memory of what happened in 2006, but I think it's more likely that the information on the adviser's statement is correct.

Mr S said he was self-employed at the time of the sale. And he thinks this might have had an effect on any potential claim under the PPI policy. But I've looked at the policy terms and conditions, and it doesn't seem the terms were onerous or unusual. So I don't think he would've had any extra difficulty in claiming on the policy just because he was self-employed.

The cost of the PPI was added to his loan and he paid interest on it. I think the cost could've been set out more clearly on the loan agreement for him. But even if it had been, I don't think any more detailed information about the PPI cost would've put Mr S off from buying it.

I don't know exactly how the exclusions were presented and explained to him. But I don't think that mattered because he was given an extra warning about the main one which applied to him. So I think he probably had enough information to make an informed decision about buying the PPI.

So taking everything into account, I'm not upholding this complaint.

### **my final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr S to accept or reject my decision before 22 April 2016.

Amrit Mangra  
**ombudsman**