

complaint

Mr K says Lloyds Bank PLC (trading as Lloyds TSB) mis-sold him a payment protection insurance (PPI) policy.

background

Mr K bought the policy when he took out a loan in 2003. The loan included an amount to pay for the policy.

Our adjudicator didn't uphold the complaint. Mr K disagreed with the adjudicator's opinion so the complaint has 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 K's case.

I've decided not to uphold Mr K's complaint because:

- Mr K says he wasn't told about the insurance and he is quite annoyed he was paying for something he didn't know he had. I've seen a copy of the credit agreement Mr K signed. This does seem to have been pre filled. But I think this was most likely after a conversation with Mr K. And this document refers to the PPI as optional. Mr K also signed a separate document specifically about the PPI which was headed '*Optional Loan Protection acknowledgement of purchase*'. Considering the documents I've seen I think Lloyds made Mr K aware he had a choice about buying the PPI, and that he chose to take it out.
- Lloyds recommended the PPI to Mr K – and it seems to have been right for him based on what I've seen of his circumstances at the time.
- Mr K says he didn't need the extra cost at the time he took out the PPI. I can understand this and I think Lloyds could've explained the cost of the policy better than it did. But even if it had I've seen nothing to suggest the PPI was unaffordable to Mr K and I think Mr K would've still bought it.
- Also given how long the policy could've paid out for, if Mr K made a successful claim he could've got back more than he paid for it.
- Mr K would've got back only a limited refund of the PPI premium if he cancelled the policy early. I don't know if Lloyds thought about this when it recommended the policy, or if it explained the situation clearly to Mr K. But I haven't seen anything to suggest he thought he'd repay the loan early when he took it out. So I don't think this meant the policy wasn't right for him – or that better information about this would've stopped him buying it.

- Mr K did sign to confirm that he'd received information about the terms, conditions and exclusions of the PPI. But it's possible Lloyds didn't specifically point out the main things the policy didn't cover. But Mr K doesn't appear to have been affected by any of those things.

I've taken into account all of Mr K's comments, including what he's said about having savings. The PPI would've paid in addition to this meaning he could use his savings on other living costs. So this doesn't change my conclusion.

my final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 20 October 2016.

Melissa Grove
ombudsman