

complaint

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

background

Mr M took out a credit card in 1997. It's not clear when the PPI was taken but Lloyds has said it's considered the PPI as being taken out the same time as the credit card. Mr M has said it was taken out during a meeting, so I think it's more likely that they were taken at the same time. The PPI covered Mr M in the event of accident, sickness and unemployment for a period of up to 12 months.

Our adjudicator didn't uphold the complaint. Mr M 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 M's case.

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

Mr M has told us the sale took place during a meeting in branch. Lloyds haven't been able to provide any documents from the time of sale so I don't have a copy of the paperwork Mr M saw or signed. This isn't surprising given the time that's passed since then. Lloyds has no records of how the sale took place.

As there is little information about how the policy was sold, I've considered what we know about how Lloyds sold PPI in its branches around that time. From what we know, I think it's likely Lloyds would have made clear to Mr M the policy was optional. I say this because sample documents we have seen from the time for branch sales would have required Mr M to select PPI. So I think he probably knew he had a choice about taking out the policy, and that he chose to buy the PPI knowing he didn't have to.

Mr M has said Lloyds recommended the policy to him. Lloyds doesn't have any record but it says to be fair to Mr M it's considered the complaint sale as if it did recommend it. This places more responsibility on Lloyds for how it sold PPI than if it were sold without this advice. So, I've decided to look at the complaint on the basis Lloyds recommended the PPI. This means it should have taken reasonable steps to make sure the policy was right for Mr M.

Taking into account what I've seen of Mr M's circumstances at the time, it seems likely the PPI would have been right for him. I say this because:

- Mr M was eligible for the policy and wouldn't have been affected by anything which might have made it more difficult for him to make a claim, like having an existing medical condition or unusual employment circumstances.

- Mr M's told us he would have received three months or more but less than six months sick pay if he was unwell. But this policy could have paid Mr M a monthly benefit for up to 12 months if he was unable to work through accident, sickness or if he lost his job. This would have been on top of any sick pay or redundancy payment he might have got. And, he's told us he didn't have any other means, such as savings he could have used to make the repayments. So I think Mr M could have found this policy useful should he have become unable to work, or unemployed.

So having considered all the information available to me, I think the PPI was suitable for Mr M.

As well as making sure the policy was suitable, Lloyds also had to give Mr M clear enough information about the policy, so he could decide if he wanted to buy it. It's possible the information Lloyds gave Mr M about the PPI wasn't as clear as it should have been. But for the reasons I mentioned above about why I think the policy was suitable, I don't think better information would have stopped him buying it.

I've taken into account all Mr M's comments; in particular, he's said Lloyds didn't review the policy throughout its duration. However, the PPI wasn't an annually renewable policy so Lloyds wouldn't have reviewed Mr M's details. It would have been for Mr M to contact Lloyds to let them know of any changes to his circumstances that might have affected the policy. So this point doesn't change my conclusion that Mr M hasn't lost out as a result of anything Lloyds did wrong.

my final decision

For the reasons set out above, I don't uphold Mr M's complaint so it follows that Lloyds Bank PLC don't have to pay any compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 7 March 2018.

Staci Rowland
ombudsman