

## **complaint**

Mr and Mrs A say Lloyds Bank PLC mis-sold them a mortgage payment protection insurance (MPPI) policy.

## **background**

This complaint is about a monthly premium MPPI policy taken out with a mortgage in 2003.

Our adjudicator didn't uphold the complaint. Mr and Mrs A 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 is fair and reasonable in the circumstances of this complaint.

The relevant issues to take into account are the same as those set out in the note on our website about our approach to PPI complaints.

I've decided not to uphold Mr and Mrs A's complaint because:

- Mr and Mrs A say that they selected the policy as they were told by the adviser that the policy was a condition of the mortgage. While the adviser may have said that the policy was a requirement, from how the MPPI was set out on the mortgage application I think Lloyds made Mr and Mrs A aware that the policy was optional and that they chose to take it. I say this because the application form gave Mr and Mrs A two options. One to tick to say they wished to take out the policy and another equally as noticeable to say that they did not wish to take out the MPPI. So I think it's likely that Mr and Mrs A knew they had a real choice whether or not to take out the policy.
- Lloyds recommended the MPPI to Mr and Mrs A and it doesn't look as if it was unsuitable for them based on what I've seen of their circumstances at the time. Mr and Mrs A say they would've been entitled to employee benefits. The MPPI would've paid in addition to this and helped to protect their new mortgage. This would've allowed Mr and Mrs A to use their existing cover to meet their other outgoings. So I think Mr and Mrs A could've found the policy helpful if they were unable to work due to ill health or if they lost their employment.
- I think Lloyds could've explained the cost of the policy better than it did. But even if it had, I think Mr and Mrs A would've still bought it.
- It's possible Lloyds didn't point out the main things the policy didn't cover. But it's unlikely Mr and Mrs A would've been affected by any of these.

I've taken into account Mr and Mrs A's comments, including what they've said about Lloyds receiving a fine from the regulator. But we look at each case individually and in Mr and Mrs A's case I don't think the policy was mis-sold. I've also considered their comments about Mr A's recent time off work. But as I've found above that the policy wasn't unsuitable for them, these points don't change my conclusion.

**my final decision**

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

Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs A to accept or reject my decision before 29 January 2015.

Lucy Wilson  
**ombudsman**