

## **complaint**

Miss B complains that Lloyds Bank Plc mis-sold her a payment protection insurance (PPI) policy.

## **background**

In October 1994, Miss B took out a credit card from Lloyds (then trading as TSB). Miss B was also sold a PPI policy to protect the payments on her card.

Our adjudicator didn't think the complaint should be upheld. Miss B disagreed, so the complaint has been passed to me.

Miss B thinks the policy was sold in June 1999. This is when she upgraded her original card, filling in a fresh application form and ticking a box to confirm she wanted PPI cover on this new card.

Lloyds doesn't seem to be able to say for sure when this policy was sold to her. But it would appear to now think that it's most likely to have been sold when the original card was taken out in 1994, and that no changes were made to the policy when Miss B's card was upgraded in 1999. A third alternative would seem to be that the PPI was sold to Miss B by Lloyds at sometime between these two dates.

So in looking at this complaint I have borne in mind that the PPI policy could possibly have started at any time between October 1994 and June 1999.

## **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 this case. Having done so, I'm not upholding it for the reasons I'll now explain.

Lloyds needed to make Miss B aware that the PPI was optional and obtain her agreement to taking it. Lloyds don't now have any record of how the policy was sold to Miss B. And it's only got a copy of the application which Miss B signed when she was upgrading her account in 1999. But this is not that surprising given the length of time that has passed since the sale. Businesses aren't required to keep these for such a long time.

But as well as the actual agreement she signed in 1999, Lloyds has also provided an example of the sort of agreement that Miss B would have been required to sign to get her original card in 1994. And I can see that like the 1999 application form, there's a section on this dealing with PPI. And the customer is required to tick a box in this section if they want to take PPI cover.

As the date of the sale and the method of sale are not completely certain, I can't be sure that either of these forms was the type used when Miss B was sold her policy. But this service has seen a lot of similar credit card PPI sales by Lloyds covering the period when Miss B could have been sold her policy. And I'm satisfied that throughout this whole period it's most likely that a customer would have had to actively agree to the PPI for it to have been added

to their account. It's also the case that the PPI charges would have shown on Miss B's card statements and I think she would have been likely to query these if she hadn't agreed to take the cover.

I've thought carefully about what Miss B has said about PPI never having been mentioned by Lloyds and not agreeing to take it. But memories tend to fade over such long periods of time. And I don't think it would be fair for me to rely wholly on what Miss B has said. On balance and based on the very limited information available to me, I think it's more likely that she actively agreed to take out the PPI policy, knowing that she had a choice. But I can understand why she might not be able to remember this now.

Lloyds says it would have recommended the policy to Miss B. And I've taken this to be the case because this means it had to ensure that it was suitable for her. I don't know what Lloyds did to ensure this was the case. But from what I know of her likely circumstances when the PPI was sold, I can't see any reason why it wouldn't have been suitable. I say this because:

- She appears to have been eligible for the policy and not affected by any of its main exclusions and limitations.
- Miss B doesn't seem to have had any other means of making her card repayments in 1999 if she couldn't work. And I don't think it's very likely that her financial circumstances would have been sufficiently better for her not to have gained value from the policy if it was sold before this date. And on this basis, I think she would still have valued the extra security the PPI gave her. It would have paid out in addition to any other means she might have had for making her repayments if she couldn't work and it could do this for up to twelve months per successful claim. It also gave her life cover.
- I've no reason to think the policy was unaffordable for Miss B and, as it was charged monthly, it could have been cancelled if it no longer met her needs.

Lloyds also needed to ensure that Miss B was given enough information about the policy for her to decide if she wanted it. I think it's likely that the information Lloyds gave to her about the policy could have been better than it was. But for much the same reasons that I don't think the policy was unsuitable for her, I don't think better information would have changed her mind about buying it. I think she'd still have thought it gave her useful cover at an affordable price.

So I don't think that Miss B has lost out by anything that Lloyds I may have done wrong when it sold her this PPI policy.

**my final decision**

It follows from what I've said that I'm not upholding this complaint against Lloyds Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 10 September 2018.

Simon Furse  
**ombudsman**