

complaint

Mr E says Lloyds Bank Plc (trading as "TSB") mis-sold him payment protection insurance ('PPI') on his credit cards.

background

Mr E took out two credit cards with TSB at the same time which commenced 1997, a TSB Visa card and a TSB MasterCard. Mr E was sold a PPI policy which provided accident, sickness, unemployment and life cover for both cards.

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

I've decided not to uphold Mr E's complaint, and I'll explain why.

The evidence available shows the PPI was taken out at some point between 1997, when Mr E opened his credit card accounts, and 2000 which is the earliest date statements are available showing PPI being charged. Mr E thinks he took out the PPI in 1997 in a meeting. TSB can't tell us the exact date he bought the policy or how, but they also think it was in a branch. I've not any evidence which suggests otherwise so I have also considered this to be a branch sale.

Mr E said at no point was the optionality of policy made clear and that there was little or no option to opt out from having PPI. On the other hand TSB have said they would've explained the policy to him and obtained Mr E's explicit consent to purchase the PPI before the sale was concluded.

Due to the length of time since the sale, there's no paperwork now available so I don't know much about how the PPI policy was sold or what, if anything, was discussed at the time. This isn't surprising considering how long ago this policy was sold. TSB have sent us an example of the application form that they say would've been used around the time Mr E took out the credit cards. As I can't safely say that this was the application form Mr E would've filled in, or if indeed he took out the PPI at this time at all, I've not relied on it.

So I haven't seen any documents that clearly show PPI was presented as optional or shows that Mr E consented to taking out the PPI. But I also haven't seen anything to support what Mr E has said either, and I wouldn't expect him to remember every detail from the sale given the time that's passed.

What I have seen are Mr E's credit card statements from 2000 onwards, which TSB say are the earliest available statements. These show PPI being charged on this account as a separate entry on the statements. I think if Mr E was unaware of the PPI, he would've questioned this with TSB much sooner when he saw it on his statements.

Even though I don't have much information about the sale of this PPI, in order to come to a fair outcome I have to consider what I think is likely to have happened. Having considered everything, and without stronger evidence on the contrary, I think that TSB made Mr E aware that he had a choice about PPI and he chose to take it.

Mr E says that TSB didn't recommend that he take out this policy. TSB have said they think they would've recommended it. As I've looked at this sale as having taken place during a meeting, I think it's more likely that TSB did make a recommendation. This places a higher bar on TSB to have taken reasonable steps to ensure the PPI was suitable for Mr E.

As I don't know the exact date of when the PPI was sold, I can't safely say that I've seen the actual wording of Mr E's policy. So, I've considered what Mr E has told us about his circumstances during the period when the PPI could've been sold and also what I know more widely about PPI that TSB sold during this time. Having done this, I think the PPI was right for Mr E. I say this because:

- It's likely that Mr E was eligible for the policy and not affected by any of the main things the policy may not have covered, such as having a pre-existing medical condition or an unusual employment status.
- Mr E hasn't been clear on whether he would've received sick pay or not. He told us he wouldn't have received any sick pay but he told TSB he would've received 6 months' work of sick pay from his employers. In any event, the PPI could've paid out for up to 12 months for an accident or sickness claim – providing Mr E with the financial security that his credit card repayments would've been covered for this time.
- Mr E also told us he had savings of about £1000 he could've used to make his repayments if he was unable to work or was made unemployed. But, having this PPI reduced his reliance on his savings, protecting this money for other financial needs.
- I haven't seen any information to show Mr E couldn't afford this policy, and he could've cancelled it at any time and without penalty if he felt it no longer suited his needs.

So, based on what I know about Mr E's circumstances during the time period when the PPI could've been sold, I think he could've found it useful.

As well as making a suitable recommendation, TSB also had to give Mr E good enough information so he could properly decide if he wanted to take out the PPI. As I don't know what was discussed or shown or sent to him at the time of sale, it's possible the information TSB gave Mr E about PPI wasn't as clear as it should've been. And Mr E feels it wasn't.

But, based on what I know about Mr E's circumstances during the time period when this policy was sold and for the same reasons why I think it was suitable for him, I don't think clearer or better information would've changed his decision to buy it.

I've taken into account all Mr E's and his representatives' comments, but these points don't change my conclusion. I don't think Mr E has lost out because of anything TSB may have done wrong.

my final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision by 5 March 2018.

Sienna Mahboobani
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