complaint

Miss C says Lloyds Bank PLC ("Lloyds") mis-sold her a payment protection insurance (PPI) policy.

Background

In 1994, Miss C took out a credit card with Lloyds, then trading as TSB. She also took out a PPI policy to protect the repayments on her card. Lloyds says it can't be sure whether the policy was taken out at the same time as the card. It only has statements available on its current systems from the start of 2000 and these show that Miss C was being charged for her policy at that date. In considering her complaint, it's assumed that the PPI was bought when the account was opened in 1994. It's also assumed that it was sold in a meeting with Miss C and that it recommended the policy to her.

Miss C has said that she thinks the policy was sold over the phone in 2000. But it doesn't seem that she still has a good memory of the sale. This is understandable given how long ago it took place. Miss C has also said that the policy was added without her knowledge or consent. And I understand that she's since told Lloyds that she thinks the sale may have taken place in a named branch.

Our adjudicator assessed the complaint on the basis that the sale happened in 1994. And she has taken it to be an advised, branch sale as this means Lloyds needed to ensure the policy was suitable for her. I've also looked at the sale on the basis that it was most likely to have taken place when the card was originally applied for in 1994. And I think it's also most likely that it was recommended to Miss C in a meeting with Lloyds. But I've also considered if it would be likely to make a difference to my decision on whether the policy was mis-sold if the sale had taken place at a later date and/or in a different way.

Our adjudicator didn't think the complaint should be upheld. Miss C disagreed with the adjudicator, so the case 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 Miss C's case. Having done so, I'm not upholding it.

Lloyds have provided a sample of the card application form which it says was used by TSB in 1994. This contains a section headed "*Payment Insurance*". Tick boxes are provided in this section for the customer to indicate whether they wanted the PPI policy or not. And I don't think it's likely that this insurance would have been added unless Miss C had accepted Lloyds' recommendation and chosen to buy the policy. And, more generally, from what we know of TSB's sales processes in the period of time this sale is likely to have happened, I think customers would have been likely to have been made aware that the PPI was optional. And I think it's likely they would have had to actively confirm they wanted it, before it was added to their credit card account.

So, on the limited information now available, I don't think I can fairly conclude that Miss C wasn't made aware that the PPI policy she bought was optional. I think it's more likely that Miss C actively decided to buy the PPI policy, knowing she had a choice. But I can understand why she may not remember this now.

I've looked at Miss C's circumstances in the period the PPI was likely to have been sold to her. And I can't see any reason why the policy wouldn't have been suitable for her. I say this because:

- She appears to have been eligible for the policy and not caught by any of its main exclusions and limitations.

- The policy cost no more than £0.79 per £100 of outstanding balance on her card. And I've no reason to think this cost wasn't affordable for her. It would have protected her card repayments for up to twelve months per claim if she wasn't able to work because of an accident, sickness or unemployment. Miss C says she had generous sick pay, redundancy pay and death in service cover when she bought the policy. But this policy would have paid out in addition to these other means and, potentially, for longer. So I still think she would have valued the extra protection it gave her at what would have been a difficult time.

- As a monthly premium policy, Miss C could have cancelled it if it no longer met her needs.

Lloyds also needed to give Miss C enough information about the PPI policy for her to make an informed choice about buying it. I think it's quite possible that Lloyds didn't do this. 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 would have thought the protection offered useful and worth paying for.

So on the limited information now available to me, I don't think that Miss C has lost out by anything that Lloyds may have done wrong when it sold the PPI to her.

my final decision

It follows from the above that I'm not upholding Miss C's complaint against Lloyds bank PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 3 January 2017.

Simon Furse
ombudsman