

## **complaint**

This complaint is about payment protection insurance (PPI) taken out in 1995 on two credit cards which were sold together – a Trustcard Visa and a Trustcard MasterCard. Mr W says Lloyds Bank PLC, TSB at the time, mis-sold him the PPI.

## **my findings**

I've considered all the available evidence and arguments to decide what is 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 W's case.

I've decided the policy wasn't mis-sold and I'll explain why. I know this will come as a disappointment to him. But I hope that my reasons below will be helpful in explaining why I've come to this outcome.

There is no documentation available from the time of sale and Lloyds doesn't know how the policy was sold. Mr W says he doesn't remember how it was sold. This is understandable given the sale took place over 20 years ago. So to be fair to Mr W, Lloyds has looked at the case as if the sale took place in branch – and I've done the same.

As said, Lloyds hasn't been able to provide any of the original documents from the time. However it has provided a sample document which it says would've been used at the time – and I've no reason to think that it wasn't. I can see in order to purchase PPI it would need to be selected and then the form signed which would show Mr W's agreement with all the information on the form, including the PPI. If Mr W didn't want the PPI, I would have expected Mr W to raise any concerns he had before signing in agreement with it.

So having taken everything in to consideration, I think Lloyds made it clear that Mr W didn't have to take out the PPI and he chose to take it out – although I can understand why he can't remember this now many years later.

I've also thought about what Mr W has said about not knowing he had PPI. I think it's likely that PPI would've appeared on Mr W's monthly credit card statements and I think Mr W would have questioned why he was paying for PPI with Lloyds if it was something he didn't know he'd taken out. But it seems Mr W continued to pay PPI for some years after taking the policy out.

As the case has been looked at as a branch sale, it's more likely than not Lloyds recommended the PPI to Mr W so it had to check that the PPI was right for him – and based on what I've seen of his circumstances at the time, I think that it was. For example he wasn't affected by any of the exclusions to or limits on the PPI cover and he seems to have had a need for the cover.

Mr W has said he didn't need PPI as he would have received some sick pay from his employer at the time if he was too ill to work as well as having some savings he could use. But this policy would cover 10% of the outstanding balance of his account for up to 12 months if he was too sick to work or he lost his job. And this would be in addition to any other pay he would receive. And it would have allowed him to use any savings he had for

other expenses, or keep them intact for the future. So I still think the PPI would have been useful to Mr W.

It's possible the information Lloyds gave Mr W about the PPI wasn't as clear as it should've been. But he chose to take it out - so it looks like he wanted this type of cover. And it seems like it would have been useful for him if something went wrong. It also looks like it was affordable. So I don't think better information about the PPI would have put him off taking out the cover.

This means Lloyds doesn't have to pay back all of the cost of the PPI to Mr W. But Lloyds has paid back *some* of the cost of the PPI to Mr W because:

- When the policy was sold, Lloyds expected to get a high level of commission and profit share (more than 50% of the PPI premium) - so it should have told Mr W about that. Because Lloyds didn't tell Mr W, that was unfair.
- To put that right, Lloyds has paid back the amount of commission and profit share that was above 50% of the PPI premium - and I think that is fair in this case.

I've thought about everything Mr W has said – including what he's said about how if he'd known about the PPI, he would have made a claim when he was made redundant. I've only looked at the sale of the policy in my decision. If Mr W has any concerns about any possible claims, then he should contact the insurer in the first instance.

### **my final decision**

The PPI policy wasn't mis-sold – so Lloyds Bank PLC does not have to pay back all of the cost of the PPI to Mr W.

But Lloyds Bank PLC does have to pay back to Mr W any commission and profit share it got that was more than 50% of the PPI premium. I understand it has already done this, so I don't award any further compensation.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr W to accept or reject my decision before 14 December 2018

Sonia Hussain  
**ombudsman**