

complaint

Mr W, who is represented by a third party, says Lloyds Bank PLC, trading as TSB ("TSB") mis-sold him a payment protection insurance ("PPI") policy to go with a credit card he'd taken out in 1998.

background

Mr W bought the PPI sometime after taking out the credit card.

He says he didn't want the PPI but was advised to buy it. If he'd known he had a choice, he says he wouldn't have bought it.

Our adjudicator didn't think the complaint should be upheld. Mr W 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 W's case.

I've decided not to uphold Mr W's complaint. I'll explain why.

Mr W says he bought the cover at meeting. TSB agrees. It also says that it recommended that he buy the PPI. I've not seen information to confirm Mr W bought the PPI at a meeting. But given that TSB are treating the sale as if they'd made a recommendation that Mr W buy the cover, it had to make sure that the policy was suitable for his situation and that the information it gave him was clear, fair and not misleading.

TSB haven't been able to give us the actual sale paperwork, although that's not unusual after so much time. But based on what I know about TSB's sale processes at around the time he bought the policy – including having seen a sample of the application form Mr W would've needed to complete - I think he would've been required to tick a separate box on the application form to show he was interested in buying it.

I haven't seen anything else that makes me think that Mr W was told he had to have it. I know that Mr W probably bought the cover in a meeting, but after so many years I've no way of knowing what was said. Thinking about what I know about the way TSB sold PPI at the time, I think it's most likely TSB made Mr W aware that he had a choice about buying the PPI. So it looks as if he chose to take it, knowing he could just as easily turn it down if he wanted to.

I can see that Mr W was eligible for the PPI. Also, as far as I can see he wasn't disadvantaged by any of the main exclusions that normally appear in this type of policy.

If Mr W made a successful claim, the policy would cover his monthly credit card repayments for up to 12 months if he couldn't work due to accident or sickness, or if he lost his job. Mr W told us that if he couldn't work his employer would pay him for at least 3 months at full pay and possibly for up to 6 months. The PPI policy would have paid out in addition to Mr W's existing work benefits. So I think the PPI was a useful benefit for Mr W that suited his personal situation. And it could've benefited him at what could be a difficult time financially.

Mr W says he wasn't told about the cost of the policy. TSB says it would have given him details. I've no way of knowing exactly what happened at the time. But I've seen that the cost of the policy was 72p per £100 of outstanding credit card balance. This was shown on the application form. 10% of the card balance would be paid off each month. The full balance, up to £5,000, would have been paid off in the event of Mr W's death.

Mr W continued paying for the policy and hasn't told us that it was too expensive for him. So having thought about it, I don't think Mr W would have made a different decision about buying the policy if the cost had been presented to him more clearly

I can see it's possible there may have been other shortcomings in the way this policy was sold but, having looked at the sale carefully, I think Mr W would still have decided to buy the policy even if he'd been better advised and informed.

But overall, the policy seems to have been right for him based on what I've seen of his circumstances at the time.

It follows that I don't uphold Mr W's complaint. I'm sorry to disappoint him.

I've also seen that Mr W is unhappy about TSB turning him down when he tried to make a claim under the policy. I don't have much detail about this. But given that my decision is about the whether the PPI was mis-sold rather than why Mr W may not have been able to get paid for a claim, this is something he'd need to take up with TSB as a separate complaint.

my final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 19 June 2017.

Michael Goldberg
ombudsman