

complaint

Mr N says Lloyds Bank PLC – then trading as TSB - mis-sold him a payment protection insurance (“PPI”) policy.

background

Mr N bought the policy at the same time as taking out a credit card in 1999.

Our adjudicator didn't think we should uphold the complaint. Mr N disagreed with the adjudicator's opinion, so the complaint was passed to me. I issued my provisional decision in August 2017 and explained I wasn't intending to uphold Mr N's complaint. In summary, I thought Lloyds had given him a choice about buying the PPI and that the policy was right for him. Here's what I said:

Mr N says the policy was bought when he applied for a credit card via a postal application form. Lloyds says it was sold during a meeting in branch. It's not clear from the information I've been given how the PPI was sold. But I don't need to make a finding on this because it doesn't make a difference to my decision.

The sale took place over 18 years ago, so it's not surprising neither party has retained any of the original paperwork. Mr N says he didn't agree to the PPI and didn't know it had been added. Lloyds says Mr N would've had the PPI explained to him and would've been given a choice about buying it.

I don't know exactly what was discussed with Mr N when he bought the policy, as I've not seen any notes of that discussion. So I've thought about his comments alongside the information Lloyds has provided. I've also considered what I know about the way Lloyds sold these policies in general, to decide what's most likely to have happened.

Lloyds has provided a sample copy of the application form it says Mr N would've seen and signed. On this I can see that there's a section for the PPI which gives Mr N a choice about taking it. He'd have to have ticked a box to opt in.

I think it's likely this is the type of application form Mr N saw and signed. And I don't think it's likely Lloyds would've added the PPI without Mr N indicating he wanted it. I've taken into account Mr N's comments that he isn't very literate so didn't understand what he was ticking to select. But Mr N appears to have been confident enough in his understanding to agree to take out the credit card. And if he had any doubt about what he was agreeing to, I'd have expected him to ask for clarification at the time.

So I think it's most likely Mr N chose to buy the PPI knowing he didn't have to.

Mr N says Lloyds didn't recommend the policy to him. Lloyds says it would've done, which would mean it should've taken reasonable steps to make sure the policy was right for Mr N. This is more than Lloyds would've had to do if it didn't recommend the policy to him. So to be fair to Mr N, I've decided to assess the complaint on the basis Lloyds did recommend the policy to him.

And from what I've seen of Mr N's circumstances, I think it was suitable for him. I say this because:

- *Mr N was eligible for the policy – he was within the age range covered and he worked full time.*
- *Mr N says he would've received some sick pay from his employer as well as some redundancy pay. For any successful claim, the PPI would've paid 10% of the outstanding monthly balance of his card for up to 12 months. This would've been paid in addition to anything Mr N may have received from his employer and for potentially longer. And it would've meant Mr N could've used his employee benefits to pay for other essential costs.*
- *Mr N says he had other insurance policies at the time and has provided some information about these. From what I can see, these policies would've covered different benefits to the PPI. It looks like these policies would've paid out a cash lump sum if Mr N had received an injury or been in an accident. But they wouldn't have covered Mr N if he'd been made redundant – whereas the PPI would've. The PPI would've also paid out in addition to any funds Mr N received from these other policies.*
- *Looking at Mr N's circumstances, I don't think there was anything that would've made it difficult for him to make a claim. For example, he didn't have any existing health concerns or unusual working patterns.*
- *Nothing Mr N has told me suggests he couldn't afford the monthly repayments.*

Lloyds should've also taken reasonable steps to give Mr N enough information that he could make a choice about whether to take the policy or not. From what I've seen, it's possible Lloyds didn't give Mr N all the information it should've. But I don't think better information would've stopped him taking the policy out. I say this for the same reasons I think the policy was suitable for him.

So I don't think Mr N has lost out by anything Lloyds might've done wrong.

I asked everyone to send me any further comments or information before I reached my final decision. Both parties confirmed they'd received my provisional decision, and neither had anything to add.

my findings

I've reconsidered 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 N's case.

As neither Mr N nor Lloyds gave me anything else they wanted me to think about, I've reached the same conclusion as my provisional decision, for the same reasons. I think Lloyds gave him the option to buy the PPI and the policy was right for Mr N.

my final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 9 November 2017.

Claire Marchant-Williams
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