

complaint

Mr H says Lloyds Bank PLC mis-sold him payment protection insurance (PPI).

background

Mr H took out a TSB credit card in 1993. He says he filled in a leaflet to buy the PPI in January 2000. Lloyds hasn't been able to give us any information about how or when it sold Mr H PPI. Its earliest records show a PPI refund was given to Mr H in January 2000, so it says he had PPI on his account before then.

Mr H says he didn't know he'd taken out PPI and Lloyds didn't give him a choice about it. He says he had good work benefits, so didn't need it.

The adjudicator who looked at Mr H's complaint didn't think Lloyds had mis-sold it. Mr H disagrees and so his complaint has come to me to decide.

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 H's complaint.

Having done so, I've decided not to uphold Mr H's complaint. I'll explain why.

Mr H says Lloyds didn't mention PPI to him. But Lloyds sold him the PPI between seventeen and twenty three years ago. And Mr H's memories of what happened aren't detailed, so I don't think I can rely on them alone to decide his complaint. And Lloyds hasn't been able to say exactly when or how it sold Mr H PPI, which makes things even more difficult.

But Lloyds has given us an example of the credit agreement it thinks Mr H would've filled in in 1993 (which is the date it assumes it sold him PPI). This asks a customer whether he does or doesn't want PPI. So I think in this example it's clear Mr H would've had a choice. Of course, I don't know if this is the actual form Mr H completed. But I haven't seen anything to suggest Lloyds would've added PPI automatically to Mr H's card, either at the time he applied for it in 1993, or later. And, if he did buy the PPI in 1993, I haven't seen anything to suggest Lloyds would've required him to have it to get the card.

So from this and from what I know about Lloyds' sales processes between 1993 and 1999 (and regardless of how it was sold), I think it's most likely Mr H agreed to buy PPI knowing he had a choice about it.

I've gone on to look at whether there are any other reasons why I should uphold Mr H's complaint. But I don't think there are.

Lloyds says it recommended the PPI to Mr H. This meant it had to make sure the insurance was right for him. From what Mr H has told us of his circumstances between 1995 and 1999 and looking at the likely policy terms, I think it was. I say this because:

- I think it's likely he qualified for the cover. Mr H says he retired in 2000 and his representatives say that's when Lloyds told them the PPI was sold. But Lloyds has shown us internal records of a PPI refund made to Mr H's account in January 2000, so I think PPI was charged on Mr H's account before then. And it follows that I think it's more likely than not Mr H was working at the time he applied for the cover and qualified for it.
- He wouldn't have been caught by any of the things Lloyds PPI policies sold in this period didn't cover – like people with known health issues or unusual employment arrangements. So I don't think there was anything to stop him claiming the policy's full benefits if he'd needed to
- Mr H says he'd have got good sick from his work and substantial redundancy cover if he lost his job, which he'd be in for many years. But I don't think this made the PPI unsuitable for him. If he'd made a successful sickness claim, the PPI could've paid out on top of his sick pay. And, for a successful unemployment claim, it would've paid out on top of his redundancy package. So I think it offered him useful protection.
- I haven't seen anything to make me think the likely cost of the policy made it unsuitable for Mr H or that he couldn't afford it.

Lloyds also needed to give Mr H clear enough information about the PPI policy for him to make an informed choice about buying it. I think it's possible Lloyds didn't do this. But for the same reasons I don't think the policy was unsuitable for him, I don't think clearer information would have changed his mind about buying it. I think he would've thought the protection it offered was useful and worth paying for.

So on the limited information I have, I don't think Mr H has lost out because of anything Lloyds may have done wrong when it sold him PPI.

my final decision

For the reasons I've given, I don't uphold Mr H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 16 January 2017.

Jane Gallacher
ombudsman