

complaint

Mr and Mrs T say Lloyds Bank PLC (trading as Lloyds TSB) mis-sold them a mortgage payment protection insurance (MPPI) policy.

background

This complaint is about a monthly premium MPPI policy taken out with a mortgage in 2003. The mortgage was in joint names but the policy covered Mr T only.

Our adjudicator didn't uphold the complaint. Mr and Mrs T disagreed with the adjudicator's opinion so the complaint has been passed to me.

my findings

I have 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 and Mrs T's case.

I've decided not to uphold Mr and Mrs T's complaint because:

- Mr and Mrs T say that Lloyds told them they had to have MPPI if they wanted the mortgage, and pressured them into taking it. I don't know for sure what was said in the meeting. But having looked at the paperwork, I've seen nothing to suggest that Mr and Mrs T would've felt that they had to take the MPPI to secure the mortgage. I can see that Mr T signed a completely separate application form to apply for the MPPI. He also signed a completely separate direct debit mandate for the MPPI payments. It is possible that Mr and Mrs T were told that signing the paperwork for the MPPI was simply a part of taking out the mortgage. But it is equally possible that they knew that it was a separate product that had been recommended to protect the mortgage repayments. Taking everything into account, I think it's most likely that Lloyds made Mr and Mrs T aware that the MPPI was optional and that they chose to take it.
- Lloyds recommended the MPPI to Mr and Mrs T, but it doesn't look as if it was unsuitable for them based on what I've seen of their circumstances at the time. Mr T says that he would've received some sick pay and they had some savings had he been unable to work. But the policy would've paid out for up to 12 months on any claim and in addition to any work benefits. It also would've meant Mr and Mrs T didn't have to rely on their savings to cover the mortgage payments. So I think it could've been useful to them.
- I think Lloyds could've explained the cost of the policy better than it did. But even if it had, I think Mr and Mrs T would've still bought it.
- It's possible Lloyds didn't point out the main things the policy didn't cover. But it's unlikely Mr T would've been affected by any of these.

I've taken into account Mr and Mrs T's comments, but these points don't change my conclusion.

my final decision

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

Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs T to accept or reject my decision before 18 March 2015.

Sandra Greene
ombudsman