

complaint

Mr R says that Lloyds Bank PLC (trading as Lloyds TSB – I'll call the business Lloyds from now on) mis-sold him a single premium payment protection insurance (PPI) policy.

background

Mr R says that he wasn't told the PPI was optional and that he didn't get very much information about the policy when it was sold to him. He says that his English wasn't very good so he couldn't properly understand the sales process.

Our adjudicator didn't think that the policy was mis-sold 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 R's case

The policy would have paid Mr R for up to 12 months if he was unemployed or until the loan ended if he was sick or had an accident. It also provided life cover.

I've seen the application form and can see that Mr R signed for the PPI. So it looks like he agreed to it. I've thought very carefully about Mr R's concern that his English wasn't very strong. But unless it's apparent that Lloyds took advantage of this – and I don't think it did – I can't uphold the complaint on this point. As I explain below, the policy seems to me to have been a reasonable one to sell to him, given his circumstances.

Mr R was self-employed which is sometimes important because a lot of PPI policies made it difficult for self-employed people to make a successful claim. I've checked the policy and this isn't the case for the PPI Mr R bought.

The insurance did though provide a limited refund if it was cancelled early. If there's a good reason why someone might have cancelled the policy early – like they had a history of consolidating debt – this might make the sale unfair. But this doesn't seem to be the case with this sale – Mr R took out the loan to buy a car.

Mr R also had limited means of being able to pay the loan if he couldn't work. So the PPI provided the reassurance that the loan repayments would be covered if he needed it.

Finally, the cost of the policy was set out on the application form so I think that Mr R would have understood what he was paying for. If he was unsure, he has mentioned friends who could have helped him.

Although I don't think Lloyds told Mr R everything he needed to know about the policy when it sold it to him, I don't think he lost out as a result. I think it was reasonable to recommend it to him, given his circumstances.

Because of this I don't think the PPI was mis-sold.

my final decision

For the reasons I've explained I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 26 May 2016.

Michael McMahon
ombudsman