

complaint

Miss C says Lloyds Bank PLC mis-sold her payment protection insurance (PPI).

background

Miss C took out a TSB Trustcard in 1995 and, at some point between then and 2000, Lloyds also sold her a PPI policy to protect her credit card repayments. Lloyds has assumed it sold Miss C her PPI when she applied for the card. Miss C says it was sold in 2000, which is the earliest date we've got statements showing PPI was charged to her account. So I've looked at what we know of Miss C's circumstances and Lloyds' credit card PPI policy terms across this range of dates.

Among other things, Miss C says she wasn't aware PPI was attached to the card and doesn't remember signing any paperwork for it.

The adjudicator who looked at Miss C's complaint didn't think Lloyds had mis-sold it. Miss C disagrees and so her 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 here.

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

Lloyds has no record of how it sold PPI to Miss C but Miss C says it was in a meeting. Lloyds also doesn't have a copy of Miss C's actual application, but I don't think this is surprising given how long ago the sale was. Lloyds has, though, sent us a sample of the type of credit card application form it says it would've used at the time. It has a section on PPI with a box to tick if an applicant wants it.

It's possible Miss C didn't see this sample. But, even if that's the case, I don't have enough to say fairly Lloyds didn't give Miss C a choice and get her consent to the PPI. In saying this, I've taken into account that Miss C says she didn't know she had PPI. But the sale was a long time ago and Miss C's recollections aren't detailed. They aren't enough, on their own and without anything else to back them up, to make me think it's likely Lloyds added PPI without Miss C knowing she had a choice and getting her agreement to it. So, on balance, I think it's more likely than not she agreed to it knowing she didn't have to.

I've gone on to look at whether there are any other reasons why I should uphold Miss C's complaint but I don't think there are. Lloyds has treated the sale of Miss C's PPI as if it recommended it to her. This imposes a higher standard on it than if it was giving her information so she could make her own choice. It means Lloyds had to make sure the PPI was right for Miss C in her particular circumstances.

Looking at what we know of Miss C's circumstances around this time and at Lloyds PPI credit card policies sold between 1995 and 2000, I think it's likely the PPI was right for her. I say this because:

- I think it's likely Miss C was eligible for the PPI. And I don't think she's likely to have been caught by any of the things it didn't cover – like known health issues or unusual employment arrangements. So I don't think there'd have been anything to stop her claiming the full benefit of the policy if she'd needed to.
- I think Miss C would've got quite good sick pay through her work. But the PPI would've paid out on top of this and would've helped with Miss C's credit card repayments for up to 12 months. It would also have helped in the same way if she'd lost her job. So I think it gave her useful protection she didn't otherwise have. I know Miss C says she had a PPI policy with another lender that would've paid out £250 a month – but it seems this protected her mortgage, not her credit card repayments. So I don't think the other policy meant Miss C was over-insured or that this PPI wasn't right for her.
- I've seen nothing to suggest Miss C couldn't afford the PPI or that its cost made it unsuitable for her at the time.

As well as making sure the PPI was right for her, Lloyds also had to give Miss C information about the policy that was clear, fair and not misleading. I think it's likely the information Lloyds gave Miss C about the PPI wasn't as clear as it should've been in some areas, particularly about the true cost of the policy and the things it didn't cover. But I think it's likely Miss C chose to take out the policy and it was right for her. So I think it's unlikely Miss C would have made a different decision if Lloyds had given her clearer information about these things. On balance, I think she'd still have bought it.

I don't think Miss C has lost out because of what Lloyds is likely to have done wrong, so there's nothing it needs to do to put things right.

my final decision

For the reasons I've given, I don't uphold Miss C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 11 September 2017.

Jane Gallacher
ombudsman