complaint

Mr B's complaint is that he was mis-sold a payment protection insurance ("PPI") policy by Lloyds Bank PLC, at the time trading as Lloyds TSB.

background

Mr B applied for a credit card in 1998, and bought a regular premium PPI policy at the same time. I can't say exactly how much this policy cost Mr B. But the service's experience of the policies that Lloyds sold at the time, means that I think it wouldn't have cost more than 79p per every £100 of outstanding monthly balance on his credit card.

This policy covered Mr B in the event of accident, sickness or unemployment, and in the event of a successful claim would have paid 10% of the outstanding last statement balance. And the policy would have done so for up to 12 months.

Our adjudicator did not uphold the complaint, and Mr B disagreed with the adjudicator's opinion. The complaint has now been passed to me for a decision.

my findings

I've considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I've taken into account our normal approach to PPI complaints, which is explained in the technical note about PPI in the 'publications' section of our website.

I've decided not to uphold Mr B's complaint and set out my reasons below.

There are no documents specific to Mr B's complaint available from the point of sale, which is not surprising given that the sale happened a number of years ago. So Lloyds has only been able to supply a policy document from the year before the point of sale which it says was in force at that time.

Mr B has provided his recollections of taking out the PPI policy, but it is possible that these will have been affected by the significant passage of time. So, I must carefully weigh up the evidence available to me, on the balance of probabilities, when reaching my decision.

Mr B says that doesn't remember any discussion regarding the PPI when he applied for his credit card, or whether the business gave him advice.

Lloyds has given us details of their sales process at the time of the sale. And it says this was an advised sale, and its recommendation was given to Mr B following a discussion of the policy at the point of sale.

I can't say what was said at this meeting, and it's possible that Mr B didn't agree to the policy but it is just as likely he agreed to it and then forgot about it years later.

Taking into account everything Mr B has said, I don't think it would be fair now, after a number of years have passed, to assume the policy was added without his permission or knowledge.

And so I can't safely uphold his complaint on this point.

As I think the sale was advised, I have taken this into account as it puts a higher burden on Lloyds to ensure the policy was suitable, given Mr B's particular circumstances.

From the evidence provided, I don't think the policy was unsuitable for Mr B for the following reasons:

- He was eligible for the cover.
- He doesn't appear to have been affected by any of the main things the policy didn't cover such that these made the policy unsuitable for him.
- I've seen no evidence that the policy appears to have been unaffordable for Mr B.
- Mr B has said that he would have received only statutory sick pay if he was unable to work through accident or illness, and so I think that he would have quickly suffered a drop in income if unable to work. So the benefit provided by the policy would have enhanced his existing provisions.
- Additionally the policy provided unemployment cover which I feel would have been attractive to Mr B.
- Mr B hasn't told us of any other savings he had to help him meet these repayments. This policy would have paid out for a maximum of up to 12 months per claim if Mr B was unable to work due to illness, and would also have paid in the event of unemployment. And these payments would have been on *top* of any other monies he had.

As I've said above, I can't be sure what was said at the meeting. And I don't know whether the costs, benefits, and the things that the policy did not cover were properly explained to Mr B. So I'm unable to say that Lloyds didn't do anything wrong when they recommended the policy to Mr B.

But for the same reasons that I think that the policy was suitable, I don't think knowing more about it would have put him off taking it out. He had a need for the policy and doesn't appear to have been affected at the time he bought the policy by any of the things that it did not cover.

This means that he is not worse off as a result of anything the business did wrong, so there's nothing it needs to do to put things right.

my final decision

For the reasons given above, I'm not upholding Mr B's complaint, and I will not be making any award against Lloyds Bank PLC.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr B to accept or reject my decision before 23 February 2015.

Gary Brogan

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