

complaint

Mr R complains that Lloyds Bank plc mis-sold payment protection insurance (PPI) to him.

background

In 1994 Mr R took a credit card from TSB (which shortly afterwards merged into Lloyds). We know that by the beginning of 2000 he had been sold monthly premium PPI to protect repayments on the card. The PPI seems to have ended in 2001, and the card account was closed by 2005. Mr R told us that the PPI had been added without his knowledge. He said he would have declined it if it had been discussed, as he didn't need it.

Our adjudicator recommended that the complaint was not upheld. Mr R disagreed so the complaint has been passed to me for review and a final decision.

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 considering Mr R's case.

Unsurprisingly when the card and PPI were sold 17 years or more ago, Lloyds no longer has any of the documents Mr R might have signed at the time of those sales. But that in itself is not a reason to criticise Lloyds or uphold the complaint. We do however have a few relevant computer records. It is clear from those that Mr R had the PPI by 2000, but we don't have records to show exactly how or when it was sold. It is probably most likely to have been sold back in 1994 with the card, but could have been sold separately at any time between then and 2000. In cases like this, where the evidence is incomplete or contradictory, I have to make my decision on the balance of probabilities – that is, to decide what is most likely to have happened.

Lloyds did provide a sample card application and agreement form to show that the PPI was listed as optional and applicants had to tick if they wanted to take the PPI. But it was for a different type of credit card from the one Mr R had. However from our experience we know that, for the type of card Mr R did have, during the period when the PPI could have been sold to him, application forms offered customers a clear choice about whether or not to take PPI. So overall I think it is more likely than not that at the time Mr R knew the PPI was optional and chose to take it.

Lloyds accepts that it might have recommended the PPI Mr R, in which case it would have needed to check that it was suitable for him. From what we know about the policies Lloyds offered in the relevant period and Mr R's circumstances, I think that it was.

- Mr R would have been eligible for the PPI.
- He wouldn't have been affected by any of the limitations in the policies (such as those about existing medical conditions) which might make it particularly difficult for some people to make a successful claim.
- I think the PPI could have been useful for him. Based on the assumption he was sold the PPI in 1994, Mr R gave slightly different accounts of how much sick pay he might

have got from work – but the most he said was three to six months. He would also have been entitled to some redundancy pay: but probably not enough to cover all his expenses for more than a few months. He had only a fairly small amount of savings. Although he also said his partner could have helped out, circumstances can change to mean that isn't possible. Whereas the PPI would have covered 10% of his credit card balance for up to 12 months if necessary and would have paid out on top of any pay from work for sickness or compulsory redundancy.

- Since knowing the PPI might have been sold later, Mr R has explained that by 1996 he had been promoted at work - so would have been entitled to six months of full sick pay and six months half pay. He thought he also had rather more savings. But even taking that into account I still think the PPI could have been useful, if (as seems less likely) it was sold between 1996 and 2000.

There might have been areas in which Lloyds didn't give Mr R as much information as it should have done. But the PPI was competitively priced. And for much the same reasons that I've decided the policy was suitable, my view is that better information would not have put him off taking out the PPI.

When on balance, I don't think I have sufficient evidence that Mr R has lost out because of anything Lloyds might have done wrong, I don't have grounds to uphold his complaint.

my final decision

My final decision is that I do not 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 8 January 2018.

Hilary Bainbridge
ombudsman