

## **complaint**

Mrs M complains that Lloyds Bank plc (trading as TSB) mis-sold payment protection insurance (PPI) to her.

## **background**

In 1997 Mrs M arranged to take two credit cards from Lloyds. By 2000 she had been sold PPI to protect her repayments on both cards. Both card accounts were closed by 2005. Mrs M told us that she was confident that PPI had not been disclosed to her when she met Lloyds to apply for the cards. She said that she would never have opted to take it because she was entitled to sick pay from work.

Our adjudicator recommended that the complaint was not upheld. Mrs M 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 Mrs M's case.

Lloyds no longer has any of the paperwork from when Mrs M took the credit cards and the PPI. That isn't surprising when the sale took place about 20 years ago and the accounts closed over 10 years ago. That in itself isn't a reason to criticise Lloyds or uphold the complaint. 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.

Neither Mrs M nor Lloyds is even sure when the PPI was sold. Lloyds does have a few computer records which show the accounts opened in 1997 and were closed by 2005, and that Mrs M had PPI by the start of 2000. Although I can't be sure, I think it is most likely that the PPI was sold in 1997 when Mrs M opened the accounts.

The best indication available of the document Mrs M would have signed when she took the cards is a sample which appears to date from the start of 1999. That contains a section about PPI and a box for card applicants to tick if they wished to apply for PPI. I know Mrs M feels that she would not have agreed to take PPI. But from the sample and what we know about Lloyds' forms and processes at that time, it is likely that the PPI would only have been added if Mrs M had agreed after being given a clear choice. On balance, I think it is likely that at the time Mrs M was aware the PPI was optional but chose to take it. I can understand why she might not remember that now, so many years later.

It isn't clear whether or not Lloyds recommended the PPI to Mrs M. If it did it needed, not only to give her appropriate information about it, but also to check that it was suitable for her. I think that it was.

- Mrs M was eligible for the policy and I can't see that it was unaffordable.
- She wasn't affected by any of the main limitations or exclusions, which could have made it difficult for some people to make a successful claim.

- I think the PPI could have been useful for her. Mrs M was entitled to three to six months worth of sick pay from work, but wouldn't have built up much entitlement to redundancy pay. And she didn't have any savings. So she could have struggled to make her card repayments (as well as covering other costs) if she was sick for a longer period or lost her job. Whereas, if she was sick or unemployed, the PPI would have covered 10% of her repayments for up to 12 months if necessary.

I can't be sure Mrs M was given adequate information about the PPI to enable her to decide whether to buy it. But the PPI was competitively priced and, even if she had been given more or better information, I think she would still have taken the policy in her circumstances.

So, on balance, I can't see that Mrs M has lost out because of anything Lloyds might have done wrong.

### **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 Mrs M to accept or reject my decision before 21 June 2018.

Hilary Bainbridge  
**ombudsman**