

complaint

In 2004 Mr and Miss T took out a mortgage with Lloyds Bank PLC (Lloyds). Mr and Miss T complain that the Lloyds mis-sold them monthly premium payment protection insurance (PPI) at the same time.

background

At the time of the sale Mr T was employed and was entitled to some sick pay. Mr and Miss T did not have any existing medical conditions. Miss T was not working at the time of the sale and the PPI provided cover for Mr T if he was unable to work due to accident, sickness or unemployment.

The adjudicator has recommended that this complaint is not upheld. Mr and Miss T have asked for this complaint to be reviewed by an ombudsman. Mr and Miss T say that they did not want or need this PPI.

my findings

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

We have set out our general approach to complaints about the sale of PPI on our website and I have taken this into account in deciding Mr and Miss T's case.

I have decided not to uphold Mr and Miss T's complaint.

Lloyds have provided us with the documents used when this PPI was sold to Mr and Miss T. Mr and Miss T have said that they did not want the PPI sold with this mortgage. In the documents provided by Lloyds the payment protection insurance is described as "optional insurance" that Mr and Miss T "are not obliged to take". Also Lloyds has provided us with a separate form - *Payment Protection Plus Proposal Form*. This has been completed and signed by both Mr and Miss T together with a separate direct deduction instruction for payment of the PPI premium. I am making this decision based on what is likely to have happened. I think that as a separate application form was completed by Mr and Miss T it is likely that they did chose to buy this PPI and also did know that they had been sold this PPI with their mortgage.

Lloyds says that this was an advised sale to Mr and Miss T. This means that Lloyds should have taken adequate steps to make sure that the PPI policy was suitable for Mr T and Miss T. Also Mr and Miss T should have been given information that was clear, fair and not misleading to allow them to make an informed choice about whether to take out this PPI policy.

Mr T was eligible for the policy – he was a UK resident, employed and in good health. Also I do not think that Mr T would have been affected by any of the significant limitations or exclusions from the cover relating to issues such as existing medical conditions or unusual employment terms. It appears that the cost and benefit were reasonable compared to other similar policies. Given the information that we have about Mr and Miss T's circumstances at the time of the sale this PPI does not seem to have been unaffordable or unsuitable for them. Also Miss T was not employed and the policy would have been useful in the event of Mr T's longer term sickness or unemployment as it would have paid the monthly mortgage

in addition any other benefits or help that they had and for longer than Mr T's employee benefits. So I think that Lloyds did recommend a policy that was suitable for Mr and Miss T.

It is possible that Mr and Miss T did not get all the information they needed to help them to decide about buying this policy. But even with better information, I still think that they would have made the same decision given that they were borrowing a significant amount of money and given the consequences of them not being able to meet the monthly repayments. This means that although Lloyds may have failed to provide Mr and Miss T with enough information to make a proper choice, Mr and Miss T are not worse off as a result of what they did wrong, so there is nothing that Lloyds needs to do to put things right.

So I have decided not to uphold this complaint.

my decision

For the reasons set out above, I do not uphold Mr and Miss T's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Miss T to accept or reject my decision before 11 April 2016.

Tonya Richards-Clarke
ombudsman