

complaint

Miss H's complaint is that Lloyds Bank PLC (Lloyds) mis-sold her a payment protection insurance ("PPI") policy in 1997.

background

Miss H's PPI policy was sold to her when she took out a credit card in 1997. Miss H says she was told she had to take out the policy in order to get the credit card and that it was automatically added. She also says she would've received sick pay so she didn't need it.

Our adjudicator didn't uphold the complaint as he thought that Lloyds would've made it clear that the policy was optional. He also said that PPI would've been a useful product for Miss H.

Miss H disagreed so the complaint has come to me for a 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 deciding Miss H's case. Having done so, I've decided not to uphold her complaint for the reasons set out below.

Miss H and Lloyds couldn't give me a lot of information about the sale – which is understandable, given it took place a long time ago. Lloyds has assumed that this was an advised sale that took place in branch, and based on the evidence I've seen, I agree. So Lloyds would've had to make sure the policy was suitable for Miss H.

Lloyds hasn't been able to give us copies of the actual application form Miss H would've completed when she took out the credit card and PPI. Instead, Lloyds has given us a sample copy of the application form it says was in use at the time. This form gives the customer the option to tick a box next to the statement "I wish to apply for TSB credit card payments insurance". Customers would've also been required to sign the form, giving consent to its contents. I think this would've made it clear to Miss H that she had a choice about the policy.

So, based on what I've seen and how long ago the sale took place, I think Miss H most likely consented to include PPI as part of her credit card agreement, even if she's now forgotten. So I've gone on to look at whether the policy was suitable for her.

I've looked at the terms and conditions of the policy and Miss H's circumstances at the time it was sold to her. I haven't seen anything to suggest she wouldn't have been eligible for the policy or that she would've been affected by any of the significant limitations.

Miss H has told us she was entitled to 6 to 12 months' sick pay from her employer. The policy would've covered Miss H's repayments in addition to her sick pay for up to 12 months per claim. The policy would've also covered her for up to 12 months per claim if she became unemployed. Miss H said she didn't have any other means of making her repayments, so I think she might've struggled if she was unable to work. So I think Miss H had a need for the policy, and that it provided useful benefit, given the cost.

Overall, I think Miss H opted to take out the PPI policy and that the recommendation made by Lloyds was suitable for her. So I'm not upholding her complaint.

my final decision

For the above reasons, I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 11 April 2016.

Clair Bantin
ombudsman