

## summary of complaint

In summary, this complaint concerns the sale of a regular premium payment protection insurance (PPI) policy taken out in conjunction with a loan in October 2009. Mrs H believes Lloyds mis-sold her the policy.

## my findings

I have carefully considered all of the available evidence and arguments from the outset, in order to decide what is fair and reasonable in the circumstances. I have also taken into account the law, any relevant regulatory rules and good industry practice at the time the policy was sold. In essence, the questions I need to consider are whether:

- Lloyds gave Mrs H information that was clear, fair and not misleading in order to put her in a position where she could make an informed choice about the insurance she was buying; and whether
- If any advice or recommendation was given, the product was suitable for Mrs H's needs, or if it was not suitable Lloyds pointed this out to her.

If I conclude that there were shortcomings in either of the above, this will not necessarily result in me finding in favour of Mrs H. Instead I will consider whether Mrs H more likely than not acted differently as a result, ie whether *but for* failings on the part of Lloyds she would not have taken out the insurance.

The business has told us that Mrs H would have been made aware of the optional nature of the policy at the point of sale and that her consent would have been obtained before the policy was added to her account, and the documentary evidence from the point of sale appears to support these claims. Mrs H has not disputed these points in her submissions to us.

Both parties agree that the business provided a recommendation to Mrs H to purchase the policy, and documentary evidence available from the point of sale also suggests that Mrs H was given advice to purchase the policy. Weighing everything up, I find that this was an advised sale and so I have applied the higher test of whether the policy was suitable for Mrs H's needs. In this case I am persuaded that it was and I set out my reasons for saying this below.

- Mrs H has raised concerns about her age at the point of sale, stating that at 62 years old she would have been ineligible for the policy or unable to make a successful claim. Having carefully reviewed the policy terms and conditions, I find that this does not appear to be the case. In order to qualify as eligible for this policy, the only age related criterion is that policyholders must be between the ages of 18 and 75 throughout the term of their loan agreement (which in this case, was three years).

The policy offered unemployment, accident or sickness, critical illness, and life cover for policyholders under the age of 65 who were employed (defined as "carrying out work for which you are paid") for 16 hours or more per week. Mrs H has told us that when she purchased the policy she considered herself to be retired, but that she carried on working "for some time". Mrs H has also confirmed that at the point of sale she was working 16 hours per week. Although I do not challenge Mrs H's personal view of her employment

status at the point of sale, under this policy's definitions Mrs H was in employment and, as such, would appear to meet the criteria for cover set out above.

Mrs H has raised further specific concerns that, due to her age, she would have been unable to meet the Jobseeker's Agreement within the UK, which the policy states as a further criterion to make a successful unemployment claim. However, I note the policy terms and conditions make provision for policyholders who are unable to meet this criterion, stating that policyholders ineligible for a Jobseeker's Agreement must be able to provide "on-going alternative evidence" of unemployment and active job search; suggesting "copies of job applications, responses and registration with job agencies" as examples of such evidence.

Had Mrs H turned 65 during the course of the loan term the cover offered by the policy would have changed to critical illness, hospitalisation and life cover. However, if this did not suit Mrs H's needs, there were no significant barriers to her cancelling the policy at this time.

In summary, Mrs H was eligible for the policy and does not appear to have been affected by any of the exclusions or significant limitations on the cover provided, such that these would make the policy unsuitable for her.

- It appears that the policy cost £45.07 per month and would have covered Mrs H's loan repayments for up to 12 months in the event of a successful claim for unemployment and potentially longer in the event of a successful claim for accident or sickness. The policy would also have cleared the outstanding balance in the event of Mrs H's death. While Mrs H may feel the cost was high, there is some evidence she was aware of the cost at the point of sale because the policy monthly premium and total cost was set out in the loan agreement she signed. Weighing up the evidence I have seen, I am not persuaded that the policy was unaffordable for Mrs H or that the premiums (in the light of the potential benefits) were unsuitable for her.
- Mrs H has told us that at the time of the sales she was not entitled to any work benefits from her employer in the event she was unable to work due to accident or sickness. Mrs H has also told us she had no other savings, insurance or alternative means that she could have used to cover the loan repayments in the event that she had been unable to work, and so it seems she had a need for the cover.
- Weighing up all the evidence provided and given what I know of Mrs H's circumstances at the time of the sale, I am persuaded that this policy would have provided a valuable benefit and was a suitable recommendation for her.

For much the same reasons as stated above, even if Lloyds did not fully meet Mrs H's information needs, I am not persuaded that she suffered any detriment as a result. I say this because I do not consider that any of the important information about the policy that she might not have known at the point of sale would have deterred her from taking it out, had she known it. Therefore, I have not reached a finding on whether or not Mrs H's information needs were met, as it is not crucial to the outcome of this case.

Overall, I conclude that whether or not Lloyds met its obligations to provide Mrs H with information that was fair, clear and not misleading, Mrs H has suffered no detriment as a result. I am also persuaded that the product Lloyds recommended were suitable for Mrs H's needs.

**my decision**

For the reasons set out above I am not persuaded that Mrs H has suffered detriment as a result of any possible shortcomings on Lloyds's part when selling the PPI policy in question. It follows that I do not uphold this complaint or make any award against Lloyds Bank PLC.

Clair Bantin  
**ombudsman**