

complaint

Ms W complains that Lloyds Bank Plc (“Lloyds” trading at the time of sale as TSB) mis-sold her a mortgage payment protection insurance (“MPPI”) policy.

background

Ms W bought a MPPI policy which started in July 1995 to protect her mortgage repayments. The policy was sold during a meeting with an advisor from Lloyds. Ms W was covered against accidents, sickness and unemployment. The policy and mortgage ended in 2001.

Ms W believes Lloyds mis-sold the policy. She says she was not aware of the policy and if she had known about it she would’ve made a claim on it.

Our adjudicator didn’t uphold the complaint. As Ms W doesn’t agree with the adjudicator’s opinion, the complaint has been passed to me.

my findings

I’ve considered all the available evidence and arguments to decide what is 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 Ms W’s case.

I’ve decided not to uphold Ms W’s complaint because of the following reasons:

- I can’t be sure how the policy was presented to Ms W during the meeting and a lot of time has passed since she was sold it. But I’ve looked at what she said about how the policy was sold – including that she was not aware of the policy being added. But I think, after considering the documentation provided and what I know of how Lloyds sold policies at that time, it is most likely that she was advised it was a good idea to have the insurance to protect her mortgage repayments, and she took it on that advice.
- I have come to this conclusion because the sales documentation I have suggests to me that the policy was presented as optional. I can see on the mortgage application form that a box is ticked next to the question “*Do you require cover against accidents, sickness and unemployment?*” This would suggest to me that a conversation was had between the adviser and Ms W regarding the cover and Ms W then chose it by signing the application form. I can also see in a form called ‘*your TSB mortgage details*’ that details of the MPPI policy is also clearly disclosed. So although it is possible the sale took place as Ms W recalls, I have not seen enough information to support what she says so that I can safely conclude anything other than she was given a choice to have the policy.
- Moving on, I think Lloyds recommended the MPPI to Ms W, but it doesn’t look as if it was unsuitable for Ms W based on what I’ve seen of her circumstances at the time. The benefits provided by the policy would have paid out in addition to the provisions she had, in a difficult time. Ms W didn’t have enough provisions that I can see at the time of sale that would have meant she wouldn’t have had at least some use of the benefit offered by having the cover. I can also see no other reasons such as a significant or restrictive term that would make the policy unsuitable.

- As I have already mentioned, I can see from the sales documentation that Ms W was clearly provided with the costs associated with the policy. It was reasonably priced compared to similar policies available at the time and to the monthly mortgage repayment. And Ms W could have cancelled the MPPI if it did become unaffordable.
- I consider that the policy provided Ms W with a useful additional benefit (over and above her provisions) for a reasonable cost to protect her home in the event that it was necessary for her to make a claim. Ms W says that she would have made a claim if she was aware of the policy. But as I have already concluded, I am persuaded she was made aware of the policy at the time of sale. Ms W may want to consider contacting Lloyds to see if it is willing to consider a retrospective claim for the time she says she would have made a claim.
- Its possible Lloyds didn't point out the main things the policy didn't cover. But its unlikely Ms W would've been affected by any of these based on his circumstances at the time.

I know this will come as a disappointment to Ms W, but on balance, I do not uphold her complaint for the reasons that I have given.

my final decision

I don't uphold Ms W's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Ms W to accept or reject my decision before 23 June 2017.

Mark Richardson
ombudsman