

complaint

Mr V says Lloyds Bank PLC, trading as TSB (“Lloyds”) mis-sold him a payment protection insurance (“PPI”) policy.

background

Mr V bought the policy sometime between 1994 and 2001.

The policy cost between 59p and 79p for every £100 outstanding on his monthly statement balance. The policy would've paid out 10% of that balance for up to 12 months if Mr V was too unwell to work or was made redundant. It also provided some life cover.

Our adjudicator didn't uphold the complaint. Mr V disagreed with the adjudicator's opinion, so the complaint has been passed to me.

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 Mr V's case.

Having done so, I've decided not to uphold Mr V's complaint and I'll explain why.

Lloyds had to make it clear to Mr V that the policy was optional. And it had to get Mr V's consent before it added PPI to his account.

Mr V says the PPI was sold in 2001. He also says that he applied for the card by postal application and he doesn't think he selected to take PPI at this time. He says he was aware PPI was added to his account, but he thought it was part of the card. Lloyds hasn't been able to confirm the date or method of sale, which isn't surprising given the amount of time that's passed since the policy was taken. But it thinks it was most likely sold at the same time as the card in 1994. And it's treated it as being a branch sale.

For completeness, I've thought about how the date and sales method would affect the outcome, but I don't think it actually matters in this case. So because Lloyds doesn't have any information to confirm how it was sold, and Mr V seems to have some recollection of what happened – I think it's most likely that PPI was added at the same time as Mr V applied for the credit card by postal application in 1994.

I've seen an example postal application from around the time and I think it's likely similar to what Mr V would've completed. It has a separate section about PPI and asks the applicant to tick 'yes' or 'no' for PPI. Mr V says he didn't take PPI, but he was aware PPI was added, so he thought it was part of the card. If Mr V had ticked 'no' to PPI on the application form, I think it's reasonable to expect him to have queried why it was added with Lloyds much sooner than he did. Because of this, I think Mr V most likely agreed to take PPI at the time.

And for the same reasons, I think Mr V mostly likely was aware the PPI was optional when he ticked 'yes' for it.

Mr V says he wasn't given any advice about whether to take the policy, and this might be the case. But with no information available from the time, Lloyds has agreed to consider the case as though it did give advice. That means it would've had to check the policy was suitable for Mr V, which is a higher test, so I've considered the case on this basis even though I think it was a postal application.

That said, I haven't seen anything to suggest the policy wasn't suitable for Mr V. I say this because:

- From the information I've seen, Mr V was eligible for the policy.
- Mr V doesn't seem to have been affected by any of the terms which might've made it harder for him to claim, such as having a pre-existing medical condition, or unusual employment terms.
- Mr V says that he would've received less than three months' pay if he was off sick from work and that he would've received support from his family if he fell into difficulties. I've thought carefully about this and while it's possible his family would've wanted to help, credit cards can be in place for many years, so they may not have always been in a position to do so.

The policy would've paid out in addition to any sick pay Mr V received and potentially for longer. And Mr V could've made repeated claims subject to a requalification period. The policy would've prevented the need to rely on family support. So I think it could've been useful to him.

Lloyds also needed to make sure Mr V had enough information about the policy so he could decide whether to take it or not.

It's possible the information Lloyds gave Mr V about the cost of the PPI wasn't as clear as it should've been. But the cost was comparable to similar policies from the time and I haven't seen anything to show the policy was unaffordable to Mr V. So, for the reasons given above, I don't think the cost would've made a difference to his decision to buy it.

So I think the PPI could've been useful to Mr V and I don't think he lost out because of anything Lloyds did wrong.

Mr V has queried why our adjudicator didn't uphold this complaint, when another complaint of his has been upheld. I should explain that we consider each complaint on its own merits and so it follows that the outcomes may differ. But, in this case, I note that Mr V's circumstances were different during the period his other complaint related to.

my final decision

For the reasons set out above, I don't uphold Mr V's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 9 June 2017.

Hanna Johnson
ombudsman