

complaint

Mrs G, who is represented by a third party, has complained to us that Lloyds Bank PLC, trading as TSB ("TSB") mis-sold her a payment protection insurance policy.

background

Mrs G bought the PPI to go with a credit card. TSB hasn't been able to give us the exact date but Mrs G thinks she bought the policy in 2000, after she'd taken out the credit card.

She says didn't know she'd bought it and didn't want it.

Our adjudicator didn't think the policy had been mis-sold. Because Mrs G disagrees, her complaint's been passed to me for a final 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 payment protection insurance on our website and I've taken this into account in deciding this case.

I've decided not to uphold this complaint. I'll explain why.

Mrs G says she thought she'd bought the policy over the phone. TSB hasn't been able to tell us exactly how it sold Mrs G the policy, but says it's treated the sale as one where it made a recommendation that she buy it. As a recommended sale, that means TSB had more responsibility, so that it had to make sure the policy was suitable for Mrs G's situation and that the information it gave her was clear, fair and not misleading.

TSB's been able to give us the credit card application form. On the form, I see that Mrs G had ticked a box in the section about PPI to show she wanted to buy it. She could've just as easily ticked a box to show she didn't want PPI. So from what I've seen about this sale, including the credit card application form, I think Mrs G would've known she had a choice about whether to buy the policy.

Obviously, I can't know what was said to Mrs G during the sale. And while I don't doubt Mrs G has given us her best recollection of what happened, this alone isn't enough to make me think the policy was sold to her without her knowing about it.

It follows that I think Mrs G ought to have been aware that she had a choice about whether to buy the PPI.

I can see that Mrs G was eligible for the PPI. Also, as far as I can see she wasn't disadvantaged by any of the main exclusions that normally appear in this type of policy.

If Mrs G made a successful claim, the policy would cover her monthly credit card repayments for up to 12 months if she couldn't work due to accident or sickness, or if she lost her job. Mrs G told us that she was entitled to some benefits from her employer if she wasn't able to work. She also says her parents would've helped her out. The PPI would pay out for longer and also in addition to her existing benefits. And whilst the offer of family help is a good thing to have, individual circumstances can easily change and so can't always be

relied on. So on balance I think the PPI was a worthwhile benefit for her that suited her personal situation.

I've seen that the cost of the policy was 79p per £100 of outstanding credit card balance with 10% of the card balance being paid off each month. The full balance, up to £5,000, would have been paid off in the event of Mrs G's death.

I can't be sure that the cost of the policy was made clear to Mrs G at the time she bought it. She hasn't told us that the cost was too high for her, and I note that she kept paying the premiums for at least two years before cancelling it. So, thinking about it, I don't think Mrs G would have made a different decision about buying the policy if the cost had been presented to her more clearly

I can see it's possible there may have been other shortcomings in the way this policy was sold but, having looked at the sale carefully, I think Mrs G would still have decided to buy the policy even if she'd been better advised and informed.

It follows that I don't uphold Mrs G's complaint.

my final decision

For the reasons I've given, I'm not upholding Mrs G's complaint against Lloyds Bank PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 12 June 2017.

Michael Goldberg
ombudsman