

## **complaint**

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

## **background**

Mr O bought PPI to go with a Mastercard and a Visa credit card in he took out in June 1995.

Mr O says he didn't know he'd bought PPI to go with his cards and wasn't given a choice about it. He also says he didn't need it.

Our adjudicator didn't think the policy had been mis-sold. Because Mr O disagrees, his 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.

Mr O says he thought he bought the policy when he applied for the cards by post. But Lloyds hasn't been able to tell us exactly how it sold Mr O the policy, so it says it's treated the sale as one where it made a recommendation that he buy it. As a recommended sale, that means Lloyds has more responsibility, so it had to make sure the policy was suitable for Mr O's situation and also that the information it gave him at the time of the sale was clear, fair and not misleading.

Lloyds hasn't been able to give us a copy of the actual credit card application form Mr O filled in when he applied, which isn't unusual after so much time. But it's given us a sample form from which I can see there's a box in the section about PPI that Mr O could have ticked to show he wanted to buy it. If he didn't want it, he didn't have to fill anything in.

Obviously, I can't know what happened at the time of the sale. But if, as Mr O says, he bought the cards by post, he could have filled in the application form in his own time and ensured he was happy with it before he sent it back to Lloyds. So, given that I've seen Mr O was given a choice about whether to take out PPI cover on the application form, I don't think what Mr O has told us he remembers from the sale is enough on its own to make me think the policy was mis-sold. Overall, from what I've seen about this sale, I think Mr O would've known he had a choice about whether to buy the policy and decided to go ahead with taking it out.

Looking at his circumstances I can see that Mr O was eligible for the PPI. Also, as far as I can see he wasn't disadvantaged by any of the main exclusions that normally appear in this type of policy.

If Mr O made a successful claim, the policy would cover his monthly credit card repayments for up to 12 months if he couldn't work due to accident or sickness, or if he lost his job. Mr O

told us that he was entitled to some benefits from his employer if he wasn't able to work, of somewhere between 6 and 12 months' pay. But the PPI would most likely pay out for longer and certainly in addition to his existing benefits. So on balance I think the PPI was a worthwhile benefit for Mr O that suited his personal situation.

I've seen that the cost of the policy was no more than 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 Mr O's death.

I can't be sure that the cost of the policy was made clear to Mr O at the time he bought it. But given what I've seen about likely level of cost at the time, it looks as if the policy was affordable for Mr O. So, having thought about it, I don't think Mr O would have made a different decision about buying the policy if the cost had been presented to him more clearly

I can see that the information provided to Mr O could have been may have been but, having looked at the sale carefully, I think Mr O would still have decided to buy the policy even if he'd been better advised and informed.

I've also carefully reviewed Mr O's comments after he'd received our adjudicator's view on his complaint, but unfortunately these don't affect my decision.

If follows that I don't uphold Mr O's complaint.

### **my final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 25 October 2018.

Michael Goldberg  
**ombudsman**