

complaint

Mrs Y says Lloyds Bank Plc (Lloyds) mis-sold her a payment protection insurance (PPI) policy.

background

Mrs Y bought the policy in a meeting that Lloyds says took place sometime between 1995 and 2000. The PPI gave Mrs Y cover for her credit card repayments.

Our adjudicator thought that we shouldn't uphold the complaint. Mrs Y 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 Mrs Y's case.

Having done so, I've decided not to uphold Mrs Y's complaint. I'll explain why.

Lloyds had to make it clear the PPI was optional and it had to get Mrs Y's agreement to buy it. Mrs Y says it wasn't made clear to her that the PPI was optional. She says she understood it was a condition of the card.

Mrs Y bought the PPI in a meeting. Mrs Y and Lloyds haven't been able to provide any detail about what was said in this meeting. So I don't know exactly what was discussed. But that's understandable given the time that has passed. So I've looked at the information we do have alongside Mrs Y's comments.

I don't have the paperwork Mrs Y completed to buy the PPI. But Lloyds has sent us a copy of the application form it says Mrs Y would've completed to buy the PPI and the credit card. I think it's likely that she would've completed this form to buy the policy.

There is a section on the form about '*TSB Credit Card Payments Insurance*' (the PPI). Mrs Y would've needed to tick here to indicate she wanted to buy the PPI. She didn't have to sign for the policy as well as ticking the box. But if she didn't want PPI, I think she could've left the box blank. So I think it would've been clear that the PPI wasn't a condition of the credit card.

On balance, I don't think it's likely that Lloyds told Mrs Y that she needed to buy a PPI policy to start the credit card. Overall, I think it's more likely that Lloyds made Mrs Y aware that she had a choice about buying the PPI, and she chose to take it.

Lloyds recommended the PPI to Mrs Y. So it needed to make sure it was right for her. Mrs Y says she didn't need the policy and it wasn't suitable for her.

Mrs Y can't recall how much sick pay, or redundancy pay, she was entitled to if she couldn't work unexpectedly. But she does say that she didn't have any savings or other means to rely on.

So, if Mrs Y couldn't work for a long period of time, it's possible that she'd find making the card repayments difficult. The policy would've repaid 10% of Mrs Y's outstanding credit card balance for up to 12 months for each claim if she'd been too ill to work or if she'd been made redundant. This would've been on top of any sick pay, or redundancy pay, she might have received.

Overall, the PPI seems to have been right for Mrs Y based on what I've seen of her circumstances at the time.

Lloyds hasn't been able to give us any information about how it explained the costs and what the policy covered to Mrs Y. So it's possible the information Lloyds gave Mrs Y about the PPI wasn't as clear as it should've been.

But, as I said above, based on what I've been told about Mrs Y's circumstances, it looks like the policy could've been useful to her. There is nothing to suggest she couldn't afford to make the monthly payments. And Mrs Y doesn't appear to have been affected by any of the main things the policy didn't cover. So I don't think better information would've stopped her buying it. And I don't think Mrs Y has lost out due to anything that Lloyds might've done wrong.

I've taken into account Mrs Y's comments, in particular what she's said about finding Lloyds' complaint investigation difficult. I've only looked at how the PPI policy was sold in this decision. If Mrs Y wants to take this further then I'm afraid she will need to contact Lloyds. But these points don't change my conclusions.

my final decision

For the reasons set out above, I don't uphold Mrs Y's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs Y to accept or reject my decision before 22 June 2017.

Andy Burlinson
ombudsman