

## **complaint**

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

## **background**

Mr F took out a loan in 2000. At the same time he was sold a PPI policy. The loan included an amount to pay for the policy.

Our adjudicator didn't uphold the complaint. Mr F 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 F's case.

I've decided not to uphold Mr F's complaint because:

- Mr F has told us he didn't have any idea about PPI. He also said he was only indicated where to sign.

Lloyds has given us a copy of Mr F's loan agreement. It's mostly pre-printed, so I think it's likely this was printed out following a conversation between Lloyds and Mr F. The PPI is described as "optional" and it's been selected. The PPI was also set out separately to the cost of the loan – and if it hadn't been previously agreed to I'd expect Mr F to have questioned why it was on the agreement. And I haven't seen any evidence that he did.

So I think it's likely Mr F was aware that he had a choice about buying the PPI, and that he chose to take it out, even if – understandably – he doesn't remember that now, so many years later.

- Mr F said in his original complaint to Lloyds that he felt pressured into making a decision on the policy. But, he hasn't given us any detail around what was said to make him feel this. And I haven't seen anything which makes me think any undue pressure was applied.
- Lloyds told us it recommended the PPI to Mr F, so it had to make sure it was right for him.

Mr F told us he would've said no to the policy because he had sick pay and savings to help him if he couldn't work through illness. But the policy would've paid out on top of his sick pay – and potentially for longer. So he could've used his sick pay and savings to cover his everyday living expenses. It also would mean he wouldn't have to rely on his parents.

So, based on what I've seen of his circumstances at the time, the policy seems to have been right for him and the recommendation looks reasonable.

- I think Lloyds could've explained the cost of the policy better than it did. But even if it had, I think Mr F would still have bought it.
- Given how long the policy could have paid out for, if Mr F made a successful claim he could've got back quite a bit more than he paid for it.
- Mr F would've got back only a limited refund of the PPI premium if he cancelled the policy early. I don't know if Lloyds thought about this when it recommended the policy, or if it explained the situation clearly to Mr F. But I haven't seen anything to suggest he thought he'd repay the loan early. So I don't think this meant the policy wasn't right for him – or that better information about this would've stopped him buying it.
- It's possible Lloyds didn't point out the main things the policy didn't cover. But Mr F doesn't appear to have been affected by any of those things.

I've taken into account Mr F's comments. But, for the reasons given above, these points don't change my conclusion.

### **my final decision**

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

Under the rules of the Financial Ombudsman Service, I am required to ask Mr F to accept or reject my decision before 11 November 2016.

Martin Purcell  
**ombudsman**