

complaint

Mrs M says Lloyds Bank PLC, trading as TSB, mis-sold her a payment protection insurance (PPI) policy.

background

In December 1996, Mrs M took out a credit card with Lloyds. She was also sold a PPI policy to protect the repayments on her card.

Our adjudicator didn't think the complaint should be upheld. Mrs M disagreed, so the complaint has been passed to me.

Lloyds can't say for sure when the PPI policy was taken out. It only has card statements from January 2000 and at that time PPI premiums were being charged to Mrs M's card account. So the policy could have started from the date the card was taken out in December 1996 to January 2000. Mrs M has said she had the policy from January 2000. But I don't think I can rely on this as being the sale date.

So in looking at this complaint I have borne in mind that the PPI policy could have started at any time between December 1996 and January 2000.

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 this case. Having done so, I'm not upholding it for the reasons I'll now explain.

Lloyds needed to make Mrs M aware that the PPI was optional and obtain her agreement to taking it. Lloyds don't now have any record of how the policy was sold to Mrs M or any copies of the paperwork completed at the time. But this is not surprising given the length of time that has passed since the sale. Businesses aren't required to keep these for such a long time. But Lloyds has provided an example of the sort of agreement that Mrs M would have been required to sign to get her card. And I can see that there's a section on this dealing with PPI, where the customer is required to tick a box if they want to take this cover.

As the date of the sale and the method of sale are not completely certain, I can't be sure that this was the exact type of form used when Mrs M was sold her policy. But this service has seen a lot of similar credit card PPI sales by Lloyds covering the period when Mrs M could have been sold her policy. And I'm satisfied that throughout this whole period it's most likely that a customer would have had to actively agree to the PPI for it to have been added to their account. It's also the case that the PPI charges would have shown on Mrs M's card statements and I think she would have been likely to query these if she hadn't agreed to take the cover.

I've thought carefully about what Mrs M has said about the PPI not being discussed with her and not having any knowledge of the PPI or consenting to take it. But memories tend to fade over such long periods of time. And I don't think it would be fair for me to rely wholly on what Mrs M has said. On balance and based on the very limited information available to me, I

think it's more likely that she actively agreed to take out the PPI policy, knowing that she had a choice. But I can understand why she might not be able to remember this now.

Lloyds says it would have recommended the policy to Mrs M. And I've taken this to be the case because this means it had to ensure that it was suitable for her. I don't know what Lloyds did to ensure this was the case. But from what I know of her likely circumstances when the PPI was sold, I can't see any reason why it wouldn't have been suitable. I say this because:

- She appears to have been eligible for the policy and not affected by any of its main exclusions and limitations.
- Mrs M says that in January 2000 she was eligible for sick pay and some other benefits from her employer. It's possible that the PPI sale took place a few years before this date. But I don't think it's that likely that Mrs M's financial circumstances at an earlier date would have been significantly better than in 2000. And on this basis, I think she would still have valued the extra security the PPI gave her. It would have paid out in addition to any other means she had of making her repayments if she couldn't work and it could do this for up to twelve months per successful claim. It also gave her life cover.
- I've no reason to think the policy was unaffordable for Mrs M and, as it was charged monthly, it could have been cancelled if it no longer met her needs.

Lloyds also needed to ensure that Mrs M was given enough information about the policy for her to decide if she wanted it. I think it's likely that the information Lloyds gave to her about the policy could have been better than it was. But for much the same reasons that I don't think the policy was unsuitable, I don't think better information would have changed her mind about buying it. I think she'd still have thought it gave her useful cover at an affordable price.

So I don't think that Mrs M has lost out by anything that Lloyds may have done wrong when it sold her this PPI policy.

my final decision

It follows from what I've said that I'm not upholding this complaint against Lloyds Bank PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 9 September 2018.

Simon Furse
ombudsman