

complaint

Mrs B complains she was mis-sold payment protection insurance in connection with a credit card with Lloyds Bank PLC (Lloyds).

background

Mrs B took out a credit card with Lloyds Bank in 1990. PPI was added to the credit card.

Lloyds has said it does not have a precise monthly cost of the policy due to the time that has passed but it has confirmed the cost would have been between 59p per £100 and 79p per £100. This was a TSB Trustcard and based on a review of policy documents around the same time, the benefit of the policy was 10% per £100.00 of the outstanding balance at the start of the claim. The benefit would have been paid for 12 months for accident, sickness and unemployment.

Our adjudicator rejected this complaint. Mrs B didn't agree with the view and the matter has been passed to me to make a final decision.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

We have set out our general approach to complaints about the sale of PPI on our website and I have taken this into account in deciding Mrs B's case.

Mrs B has not said that she did not have a choice in taking out the PPI but that she was badly advised to take it out because she was self-employed at the time and this would make it hard to claim.

I have carefully thought about this. Lloyds has said that it recommended the policy to Mrs B, this meant it needed to assess her circumstances and needs and decide if the policy was suitable for her. If it wasn't suitable for her it needed to tell her this so that she would be able to make an informed choice.

Unfortunately because of the time that has passed I have not seen copies of the application form. This is understandable and I have had to base this decision on information Lloyds have given me about sample policy documents from the time, which related to the customers card and I have seen a TSB Trustcard policy document and used this as the basis for my review.

I have looked at these documents for self-employed restrictions. I note the policy says that in order to claim unemployment benefit a person needs to be registered as unemployed and actively seeking work. These terms are the same for both employed and self-employed consumers. They are not more restrictive if the consumer is self-employed, so it would not make the policy unsuitable for her.

I have also considered whether the policy was suitable in other ways. I think the policy was suitable for Mrs B because:

- At the time of taking the policy she was eligible.

- The policy provided 12 months payments of the credit card for accident, sickness and unemployment and paid a 10% benefit.
- Mrs B has confirmed that at the time of taking the card, she had no other means to pay. So it would seem that the policy provided a useful benefit and one that would help to pay the minimum payment of her credit card, at what could be difficult times.
- Mrs B has not given any indication that costs were an issue.

I have also considered what information was likely to have been given to Mrs B. It is possible that not all of Mrs B's information needs were met and I do not know if she received proper information on cost and benefit. But, based on my reasons above I don't think better information would have changed her mind and I still think she would have taken the policy. It follows that I don't think she lost out as a result.

my final decision

For the reasons set out above, I am not upholding this claim against Lloyds Bank PLC.

Under the rules of the Financial Ombudsman Service, I am required to ask Mrs B to accept or reject my decision before 23 March 2015.

Miranda Bates
ombudsman