

## **complaint**

Mr Z has complained that he was mis-sold a regular premium payment protection insurance (PPI) policy in connection with a credit card by Lloyds TSB Bank plc in September 2001.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. In doing so I have taken into account the law and good industry practice at the time the policy was sold.

It seems to me that the relevant considerations in this case are materially the same as those set out in the section of our website explaining how we deal with PPI complaints.

Therefore the overarching questions I need to consider are:

- Whether, in giving any advice or recommendation, Lloyds TSB took adequate steps to ensure that the product it recommended was suitable for Mr Z's needs.
- Whether Lloyds TSB gave Mr Z information that was clear, fair and not misleading in order to put him in a position where he could make an informed choice about the insurance he was buying.
- If there were any shortcomings in the way the policy was sold, I need to decide if Mr Z is worse off as a result. That is, would Mr Z be in a different position to that which he finds himself in now had there been no shortcomings.

Mr Z took out the PPI policy in connection with a credit card. The parties' recollections differed in relation to the date and method of sale, and whether advice was given. Mr Z told us that he thought the policy was taken out in 2005, via the telephone and internet, and that he did not receive advice. In its initial response to Mr Z's complaint, Lloyds TSB said that the policy was sold when Mr Z called to activate his credit card. However, in its more detailed response to the adjudicator's initial assessment, Lloyds TSB told us that the PPI policy was sold in a face-to-face meeting at a branch of the bank, and that Mr Z was advised to take out the policy.

Lloyds TSB has provided a copy of the credit card agreement, which is dated September 2001. The agreement includes a section headed 'optional features', in which there is text describing the PPI cover and, alongside this, equally prominent 'yes' and 'no' tick boxes. The yes box is ticked. Mr Z was not required to sign separately for the PPI cover, but his signature on the agreement is in the section underneath the 'optional features' section. I also note that, at the top of the agreement, there are items labelled 'seller ID' and 'selling branch sort code' with the relevant details handwritten.

Taking all of this into account, it seems to me more likely than not that the PPI policy was taken out with the credit card in a branch of Lloyds TSB in September 2001. I also consider it more likely than not that the PPI policy was presented as being optional, and that Mr Z selected it.

The parties' recollections differ in relation to whether this was an advised sale. Having considered all of the evidence before me, I do not feel that I need to be definitive on this point, because, even if the sale was advised and I apply the higher test of whether Lloyds

TSB took adequate steps to ensure that the product it recommended was suitable, I cannot identify particular shortcomings in this aspect of the sale.

I say this because the credit card agreement contains information on Mr Z's income, and it appears that he was already a customer of the bank; therefore it is reasonable to conclude that the adviser would have had access to the necessary details of Mr Z's financial circumstances. From the information provided by Mr Z, he seems to have been eligible for the PPI cover and he does not appear to have been caught by any of the significant exclusions and limitations in the policy.

It does not appear that the cost of the PPI cover was an issue. Looking at Mr Z's wider circumstances, he told us that he had only statutory sick pay in the event of illness, and would have had to rely on his family to make repayments in case of difficulty.

I now turn to whether Lloyds TSB provided Mr Z with sufficient information to enable him to make an informed choice about the PPI cover.

Lloyds TSB told us that, as part of the sales process, the costs, benefits and significant exclusions and limitations of the policy would have been explained to Mr Z. A copy of the policy document has been provided. Lloyds TSB also told us that the cost of the policy was 75p per £100 of the outstanding balance. The monthly benefit in the event of a claim was 5% of the outstanding balance, payable for up to 12 months per claim, with the balance cleared in the twelfth month.

However, I cannot know precisely what was discussed during the meeting, and I cannot see from the documents before me that Mr Z was provided with further details of the likely cost to him (for example, the effect of interest charges) other than the premium per £100. On the evidence before me, I cannot safely conclude that there were no shortcomings in the provision of information.

I now need to consider whether, had there been no shortcomings, Mr Z would be in a different position to that which he finds himself in now.

As noted above, I have no evidence that the policy was unsuitable in the circumstances, and it seems to me that the benefits could have been useful to Mr Z. Therefore I am not persuaded that Mr Z would have declined the policy even if the information had been clearer.

Therefore, it follows that I do not uphold Mr Z's complaint.

### **my final decision**

I realise my conclusions will be a disappointment to Mr Z, but for the reasons set out above, I do not uphold Mr Z's complaint, or make any award against Lloyds TSB Bank plc.

Jan Ferrari  
**ombudsman**