

## **complaint**

Mr and Mrs B complain that Lloyds Bank Plc (trading at the time of sale as “TSB”) mis-sold them a mortgage payment protection insurance (“MPPI”) policy.

## **background**

Mr and Mrs B bought a MPPI policy which started in 1998 to protect their mortgage repayments. The policy was sold during a meeting with an advisor from TSB. Mr B was covered against accident, sickness and unemployment as the sole policy holder.

Mr and Mrs B believe TSB mis-sold the policy. They say they were told by the advisor from TSB they had to have PPI. They don't think they were told at any time that the insurance was optional. Mr and Mrs B say they didn't require, need or want it.

Our adjudicator didn't uphold the complaint. As Mr and Mrs B don't agree with the adjudicator's opinion, the complaint has been passed to me.

## **my findings**

I've considered all the available evidence and arguments to decide what is 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 and Mrs B's case.

I've decided not to uphold Mr and Mrs B's complaint because of the following reasons:

- I can't be sure how the policy was presented to Mr and Mrs B during the meeting and a lot of time has passed since they were sold it. But I've looked at what they said about how the policy was sold – including that they felt they didn't have a choice. But I think, after considering the documentation provided and what I know of how TSB sold policies at that time, it is most likely that they were advised it was a good idea to have the insurance to protect their mortgage repayments, and they took it on that advice.
- I have come to this conclusion because the sales documentation I have suggests to me that the policy was presented as optional. I can see that, when this form was being completed, that some discussion most likely would have been had around the suitability of having a policy, rather than it be put across as a compulsory requirement that they had to have it. I think it is most likely they were given a choice and advised on what type of policy they wanted and how the benefit would be split between Mr and Mrs B.
- Moving on, I think TSB recommended the MPPI to Mr and Mrs B (rather than sell the policy as a compulsory requirement), but it doesn't look as if it was unsuitable for Mr B (as the sole policy holder) based on what I've seen of his circumstances at the time. He had reasonable sick pay and both he and Mrs B had some savings but the benefits provided by the policy would have paid out in addition to this amount in a difficult time. Mr and Mrs B didn't have enough provisions that I can see at the time of sale that would have meant they wouldn't have had at least *some use* of the benefit offered by Mr B having the cover. I can also see no other reasons such as a significant or restrictive term that would make the policy unsuitable.

- I can see from the sales documentation that Mr and Mrs B were clearly provided with the costs associated with the policy. It was reasonably priced compared to similar policies available at the time and to the monthly mortgage repayment. And Mr and Mrs B could have cancelled the PPI if it did become unaffordable.
- Mr and Mrs B were taking on a financial commitment secured against their home. As such, I consider that the policy provided Mr B with a useful additional benefit (over and above his employment benefits) for a reasonable cost to protect their home in the event that it was necessary for Mr B to make a claim. I'm not persuaded Mr and Mrs B would have avoided protecting their repayments given the serious consequences of defaulting on a debt secured against their home.
- Its possible TSB didn't point out the main things the policy didn't cover. But its unlikely Mr B would've been affected by any of these based on his circumstances at the time.

I know this will come as a disappointment to Mr and Mrs B, but on balance, I do not uphold their complaint for the reasons that I have given.

### **my final decision**

I don't uphold Mr and Mrs B's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs B to accept or reject my decision before 22 March 2016.

Mark Richardson  
**ombudsman**