

complaint

Mrs S complains that Lloyds Bank PLC, then trading as TSB, mis-sold her a payment protection insurance (PPI) policy with a credit card.

background

Our adjudicator didn't think the complaint should be upheld. Mrs S disagreed with the adjudicator's view, so the case 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 this case. Having done so, I'm not upholding it for reasons that I'll explain.

Lloyds doesn't have any of the paperwork which was produced when this PPI sale took place. But this isn't that surprising given how long ago this was. Businesses aren't required to keep this information over such long time periods. And Mrs S doesn't seem to have that strong a recollection of the sale either. So in these circumstances I need to decide what I think is most likely to have happened taking into account the available evidence.

Lloyds says it can't now be certain when or how the PPI was sold to Mrs S and how. But it's assumed it was the earliest date possible in 1992, which was when Mrs S applied for her credit card. I also think that this is most likely to have been the case given the limited amount I know about the circumstances of this sale and, more generally, about Lloyds sales practices at around this time. But in assessing this complaint I've borne in mind that the sale could have taken place at any time before 2000, which is when Lloyds first have statements for Mrs S's card account showing PPI premiums being charged.

Mrs S says she wasn't made aware that the PPI was optional when the sale took place. But I need to bear in mind that memories of what one has been told or not told tend to fade over such a long time. And from what we know about how Lloyds sold PPI on credit cards at around this time, I think it's most likely that Mrs S would have needed to actively choose to take PPI for it to be added to her credit card account. I think she is also likely to have queried why PPI premiums were being charged on her monthly credit card statements if she hadn't wanted this cover. So, on the limited information available to me, I think Mrs S actively decided to take PPI cover knowing she had a choice. But I can understand why she may not remember this now.

Mrs S says she was sold the PPI in a meeting and that Lloyds recommended the policy to her. And I've taken this to be the case, because this means that Lloyds needed to ensure that the insurance was suitable for her.

With so little information now available about the sale, I can't know how Lloyds did ensure that the policy was suitable for Mrs S. But from what I know of her circumstances between the times when this sale must have taken place, I can't see any reason why the policy wouldn't have been suitable. I say this because:

- Mrs S appears to have been eligible for the policy and not affected by any of its main exclusions or limitations.
- Mrs S says she was eligible for sick pay from her employer. But this policy would have paid out in addition to any sick pay she might have received if she couldn't work. And it would have paid out for up to twelve months on a successful claim for an accident, sickness or unemployment. So I think Mrs S would still have valued the extra protection this policy gave her.
- I've no reason to think the policy was unaffordable for her and, as the premiums were paid monthly, she could have cancelled it if it no longer met her needs.

Mrs S says she wasn't given enough information about the costs of the policy by Lloyds. And I think it's likely that the information Lloyds provided wasn't as good as it could have been. But for much the same reasons that I don't think the policy was unsuitable for Mrs S, I don't think that better information would have changed her mind about taking it. I think she would still have thought it gave her useful protection at an affordable price.

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

my final decision

For the reasons I've given, I'm not upholding this complaint against Lloyds Bank PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 1 March 2019.

Simon Furse
ombudsman