

## **complaint**

Mr H complains about the sale of a single premium payment protection insurance (PPI) policy taken out in 1999 in connection with a business loan arranged by Lloyds Bank PLC. Mr H says the policy was mis-sold.

## **background**

The adjudicator said the complaint shouldn't be upheld because the policy was probably shown as optional, it was probably suitable for his needs and he is likely to have been given enough information which was fair clear and not misleading. Mr H disagreed with the adjudicator's view and asked for the matter to be looked at again.

## **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 Mr H's case.

Having done that, I've decided not to uphold Mr H's complaint. I know this will be a disappointing result for him so I'll explain why. And once he's had the opportunity to consider my reasons, I hope he'll understand why I've reached this conclusion.

Due to the passage of time it isn't entirely clear how the policy was taken out. Mr H told us he can't remember a lot of those details and can't remember if it was an advised sale. Lloyds has only been able to tell us it was most likely the PPI was sold with advice and during a meeting. But even if I assume Lloyds recommended the policy and also assume there might have been some failings in the way it sold the policy, I still don't think I can safely decide the policy was unsuitable for Mr H, or that he would've acted differently (that is, not taken out the policy) if he'd been properly informed.

Mr H said he was told that if he didn't have PPI, then his loan application wouldn't be approved. I've considered this very carefully. But I couldn't see any evidence from the terms and conditions that the policy was needed for the loan to be approved. And Lloyds hasn't given us any papers from the time of the sale to show Mr H was aware he had an option. But this policy was sold seventeen years ago, and so I'm not surprised the original documents aren't available. I'm also aware that Mr H's memory may not be as clear as it might be about *this* particular loan.

So taking all of the above into consideration, I don't think I can agree with Mr H's argument that he was told the PPI was compulsory. So it seems likely to me he was told he had an option and he consented to buy it.

I've also looked at whether the policy was suitable for his needs. I could see from the policy terms that he was eligible for cover; he hasn't suggested the policy was unaffordable for him. And I don't think he would've been affected by the things not covered by the policy (the exclusions) – because he was self-employed and in good health. So I do think it was suitable for him.

Mr H said he could've asked his family to cover his repayments if he couldn't work. But I don't think he could guarantee he'd get this help at some unknown point in the future. He also added he could've sold his van if he wasn't working – but the van is likely to have

depreciated in that time and may not have realised the amount he needed to clear the loan. So in general, I do think Mr H had a need for the policy. And I think it would've given him some peace of mind to know the repayments would be covered if he couldn't work because of an accident or sickness.

Mr H also suggested he couldn't claim on the policy because he was self-employed. But I've checked the terms, and I think he could've made a claim – I couldn't see he was at any disadvantage simply because he was self-employed. So I still think the policy was suitable for him.

I don't know how the cost and benefits were explained to Mr H. But having decided he wanted the policy, he chose to buy it and that it was affordable, I don't think he'd have refused the PPI if he'd been given more information about it.

I also don't know how the exclusions were explained to him. But as the main ones didn't affect him, I don't think that any more detailed information about them would've put him off from buying the PPI.

So taking everything into consideration, I don't uphold this complaint.

### **my final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 3 May 2016.

Amrit Mangra  
**ombudsman**