

## **complaint**

Mr M complains that Lloyds Bank PLC (when it was trading as Lloyds TSB) mis-sold him a payment protection insurance ("PPI") policy.

## **background**

In 2000, Mr M took out a loan along with a PPI policy to protect the loan monthly repayments. He borrowed extra and paid upfront for the PPI all in one go. So the cost of the policy was added to the loan and interest charged.

Our adjudicator didn't think the complaint should be upheld. Mr M disagrees. Mr M told us he felt under pressure to take out the PPI. He said if the single premium nature of the policy had been explicitly highlighted he wouldn't have agreed to it.

So the complaint comes to me to decide how it should be settled.

## **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.

I've decided not to uphold Mr M's complaint. I'll explain why.

I've seen a copy of Mr M's signed credit agreement. Mr M took out the loan during a meeting at the bank. So I think the pre-printed cross in the 'YES' box in the section headed 'OPTIONAL LOAN PROTECTION' was probably included on the form printed off for Mr M to sign after there'd been a discussion about PPI.

There's a clearly marked 'NO' box on the form he signed that could've been crossed instead.

In my view, the wording and layout of the agreement highlights the fact that PPI was a matter of choice. So, despite what Mr M says, I think there'd have been an opportunity for Mr M to discuss PPI with the advisor. And if Mr M decided he didn't want to have PPI the information on the form could've been changed to reflect this. The form also makes it clear that the PPI premium was advanced as part of the loan. So I can't fairly say that the bank failed to draw this information to Mr M's attention. Based on the information I've seen, I find that the single premium policy was presented to Mr M as optional and he made an informed choice to have it.

Lloyds advised Mr M to have PPI and it doesn't look as if it was unsuitable for him based on what I know about Mr M's circumstances at the time. The policy would've covered the loan monthly repayments for up to 12 months if Mr M was unemployed. And if he'd made a successful accident or sickness claim, the policy would've paid out for as long as he was off work – potentially until the loan was paid off. This was significantly better cover than Mr M had through his employer. And he doesn't appear to have had any significant other means he could've used to cover the loan monthly repayments if he wasn't working. So I can't reasonably say that he didn't need PPI.

It doesn't look as if there were any significant policy terms or exclusions that would've affected Mr M being able to make a claim. So even if he'd been given more information about the policy details, I don't think this would've made any difference to his decision to take out the cover.

It's unlikely that Lloyds explained when Mr M bought the cover that he wouldn't get a proportionate refund on the PPI if he paid the loan off early. But there's no indication he was likely to do this when he took it out to buy a car. So I don't think that would've affected his decision to buy the PPI.

Mr M would've seen what the PPI premium would cost and what the total loan would be. I agree that it mightn't have been clear how much interest he'd pay. But I don't think this would've made a difference to Mr M's decision to buy the policy. Mr M chose to buy the cover when he didn't have to – and I can understand why. I think the policy offered him useful benefits in his particular situation, the interest on the PPI part of the loan didn't add significantly to the overall cost and his monthly repayments seem to have been affordable.

So I'm not persuaded better advice or information about the cost would've made any difference. This means I don't find Mr M has lost out as a result of any failings during the sale process.

#### **my final decision**

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 8 September 2017.

Susan Webb  
**ombudsman**