

complaint

Mr G says Lloyds Bank PLC mis-sold him payment protection insurance (PPI).

background

Mr G took out a TSB credit card in 1993. He says he took out the PPI during a meeting with Lloyds in January 2000. Lloyds hasn't been able to give us any information about how or when it sold Mr G PPI. Its earliest records show that Mr G was paying PPI premiums in 2000 so it says he had PPI on his account before then.

Mr G says if he'd been asked about PPI he wouldn't have taken it as he didn't need it. He says he had good work benefits, life insurance and other ways to meet his repayments.

The adjudicator didn't recommend that Mr G's complaint should be upheld. Mr G disagrees and so his complaint has come to me to decide.

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 G's complaint.

Having done so, I've decided not to uphold Mr G's complaint and I'll explain why.

Mr G says Lloyds didn't mention PPI to him. But Lloyds sold him the PPI at least 16 years ago. And Mr G's memories of what happened aren't detailed, so I don't think I can rely on them alone to decide his complaint. And Lloyds hasn't been able to say exactly when or how it sold Mr G PPI, which makes things even more difficult.

But Lloyds sent us an example of the credit agreement it thinks Mr G would've completed in 1993 which is the earliest date Mr G could've taken out PPI with this credit card. There is a section in this form about PPI where customers are asked whether or not they want the cover. So I think in this example it's clear Mr G would've had a choice about buying the policy. Of course, I don't know if this is the actual form Mr G completed. But I haven't seen anything to suggest Lloyds would've added PPI automatically to Mr G's card, either at the time he applied for it in 1993, or later. And, if he did buy the PPI in 1993, I haven't seen anything to suggest Lloyds would've required him to have it to get the card.

So from this and from what I know about Lloyds' sales processes between 1993 and 2000, I think it's most likely Mr G agreed to buy PPI knowing he had a choice about it.

I've gone on to look at whether there are any other reasons why I should uphold Mr G's complaint. But I don't think there are.

Lloyds says it recommended the PPI to Mr G. This meant it had to make sure the insurance was right for him. From what Mr G has told us of his circumstances and looking at the likely policy terms, I think it was. I say this because:

- He wouldn't have been caught by any of the things Lloyds PPI policies sold in this period didn't cover – like people with known health issues or unusual employment arrangements. So I don't think there was anything to stop him claiming the policy's full benefits if he'd needed to
- Mr G says he'd have got good sick from his work, would've been able to rely on friends and family if he couldn't meet his payments and had life insurance. But I don't think this made the PPI unsuitable for him. If he'd made a successful sickness claim, the PPI could've paid out on top of his sick pay. I don't doubt that Mr G's friends and family would've wanted to help him, but the financial circumstances of others can change and can't always be relied on. Mr G says he had some savings when he took out the policy but he can't remember how much and given how much time has passed this isn't surprising. But I can't say his savings made the policy unsuitable. Mr G's life insurance wouldn't have helped him if he experienced financial difficulties. So, considering all of Mr G's other means I think the PPI policy offered him useful protection.
- I haven't seen anything to make me think the likely cost of the policy made it unsuitable for Mr G or that he couldn't afford it.

Lloyds also needed to give Mr G clear enough information about the PPI policy for him to make an informed choice about buying it. I think it's possible Lloyds didn't do this. But for the same reasons I don't think the policy was unsuitable for him, I don't think clearer information would have changed his mind about buying it. I think he would've thought the protection it offered was useful and worth paying for.

So on the limited information I have, I don't think Mr G has lost out because of anything Lloyds may have done wrong when it sold him PPI.

my final decision

For the reasons I've given, I don't uphold Mr G's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 20 January 2017.

Michael Ranaghan
ombudsman