

## **complaint**

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

## **background**

Mr and Mrs M bought a MPPI policy which started in November 1998 to protect their mortgage repayments. The policy was added during a meeting with an advisor from Lloyds. Mr and Mrs M were both covered against accidents, sickness and unemployment.

Mr and Mrs M applied for 3 further advances in December 1998, April 2002 and October 2003 and amended their MPPI policy to reflect the change in repayment amount. The policy and mortgage ended in 2004.

Mr and Mrs M believe Lloyds mis-sold the policy. They say they were not aware MPPI was an optional product.

Our adjudicator didn't uphold the complaint. As Mr and Mrs M 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 M's case.

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

- I can't be sure how or if the policy was presented to Mr and Mrs M during the meeting and a lot of time has passed since they were sold it. I've looked at what they said about how the policy was sold – including that they say they were not aware it was optional. But I think, after considering the documentation provided and what I know of how Lloyds 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 on the mortgage application form that a box is ticked agreeing to the MPPI policy. The benefit was also split between Mr and Mrs M. This would suggest to me that a conversation was had between the advisor and Mr and Mrs M regarding the cover and Mr and Mrs M then chose it by signing the application form. So although it is possible the sale took place as Mr and Mrs M recollect, I have not seen enough information to support what they say so that I can safely conclude anything other than they were given a choice to have the policy.
- Moving on, I think Lloyds recommended the MPPI to Mr and Mrs M, but it doesn't look as if it was unsuitable for them based on what I've seen of their circumstances at the time. Mr and Mrs M 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

having the cover (They both say they would have relied on statutory sick pay). I can also see no other reasons such as a significant or restrictive term that would make the policy unsuitable.

- I'm unsure as to whether Lloyds clearly disclosed the costs of the policy to Mr and Mrs M. But even if it did, I don't think it would've have changed Mr and Mrs M's decision to have the policy for the reasons I have already given. It was reasonably priced compared to similar policies available at the time and to the monthly mortgage repayment. And Mr and Mrs M could have cancelled the MPPI if it did become unaffordable.
- I consider that the policy provided Mr and Mrs M with a useful additional benefit for a reasonable cost to protect their home in the event that it was necessary for them to make a claim. Its possible Lloyds didn't point out the main things the policy didn't cover. But its unlikely Mr and Mrs M would've been affected by any of these based on their circumstances at the time.

I know this will come as a disappointment to Mr and Mrs M, 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 M's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs M to accept or reject my decision before 5 May 2019.

Mark Richardson  
**ombudsman**