

## **complaint**

Mr D says Lloyds Bank PLC (trading as TSB) mis-sold him payment protection insurance (PPI).

## **background**

It seems Mr D applied for two credit cards at the same time in 1998 and PPI was also added to his accounts.

He says PPI was never mentioned and he would've declined it if he'd been given a choice. Mr D says he had good sick pay and his family would've supported him if he'd needed it.

The adjudicator who looked at Mr D's complaint didn't uphold it. Mr D 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 D's complaint.

Having done so, I've decided not to uphold Mr D's complaint. I don't think the policy wasn't mis-sold because:

- I think Lloyds made it clear Mr D didn't have to take out the PPI and I think Mr D agreed to take it out. Mr D says the PPI was sold over the phone. But I think the copies of Mr D's signed application forms Lloyds has sent us show these were postal sales. And, although the copies are poor, I can see the option to take PPI has been ticked on both. So, although I can understand why Mr D can't remember the details after so long, I think he agreed to the PPI knowing he didn't have to. If he hadn't wanted it, I think he could've left the sections of the forms that were about PPI blank and it wouldn't have been added to his accounts.
- Because these were postal applications, I don't think Lloyds recommended the PPI to Mr D so it didn't have to check if it was right for him. But it did have to make sure Mr D got the information he needed to decide himself if it was right for him.
- It's possible the information Lloyds gave Mr D about the PPI wasn't as clear as it should've been. But, as I've said, I think Mr D chose to take it out – so it looks like he wanted this type of cover. Based on what he says of his circumstances at the time it doesn't look like he was affected by any of the exclusions to or limits on the PPI cover, so there was nothing to stop him claiming the full policy benefit if he'd needed to. And, despite what Mr D says of his work benefits and his savings, I think it would still have been useful for him if something went wrong. Mr D also says his family would've helped him out if necessary. But this isn't the same as having an insurance policy to fall back on, so it doesn't change my conclusions on this complaint. It also looks like the PPI was affordable for Mr D. So I don't think clearer information about the PPI would've put him off taking out the cover.

This means Lloyds doesn't have to pay back all of the cost of the PPI to Mr D.

But Lloyds has paid back *some* of the cost of the PPI to Mr D because:

- Lloyds got a high level of commission and profit share (more than 50% of the PPI premium) – so it should have told Mr D about that. Because Lloyds didn't tell Mr D, that was unfair.
- To put that right, Lloyds has paid back the amount of commission and profit share that was above 50% of the PPI premium – and I think that is fair in this case.

### **my final decision**

The PPI policy wasn't mis-sold – so Lloyds Bank PLC does not have to pay back all of the cost of the PPI to Mr D.

But Lloyds Bank PLC does have to pay back to Mr D any commission and profit share it got that was more than 50% of the PPI premium. I understand it has already done this, so I don't award any further compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 16 November 2018.

Jane Gallacher  
**ombudsman**