Financial Ombudsman Service

complaint

Ms H says Lloyds Bank PLC (trading as Lloyds TSB) mis-sold her payment protection insurance (PPI).

background

Ms H applied for a Lloyds TSB credit card at a bank branch in 2001. At the same time it sold her a PPI policy.

Ms H says she wasn't asked about PPI and didn't know it had been added to her account.

The adjudicator who looked at Ms H's complaint didn't uphold it. Ms H disagrees and so her 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 here.

Having done so, I've decided not to uphold Ms H's complaint. I'll explain why.

When it sold the PPI, Lloyds needed to make it clear to Ms H she had a choice about it and get her agreement to it. Lloyds doesn't have a record of the meeting when it sold Ms H her PPI. But I have looked at the credit card agreement she signed.

Under the heading "*Optional features*", there are "Yes" and "No" boxes to be ticked, depending on whether a customer does or doesn't want PPI. On Ms H's application, the "Yes" box has been ticked and the "No" box is blank. I think it's likely the "Yes" box was ticked on Ms H's application because she'd discussed her insurance needs with an adviser and decided she wanted it. So I think it's likely Ms H knew she had a choice about PPI and agreed to it.

I've gone on to look at whether there are any other reasons why I should uphold Ms H's complaint. From what she and Lloyds have said, I don't think there are.

Lloyds says it recommended the PPI to Ms H, so it needed to make sure it was right for her. From what I've seen, I think it was. I say this because:

- Ms H qualified for the cover.
- I don't think there was anything to stop her making a successful claim on the PPI if she'd needed to. She says she was employed and in good health when she bought it. So she wouldn't have been caught by some of the things the policy didn't cover – like known health issues or unusual employment arrangements.
- Ms H says she would've got some sick pay, though she can't remember how much. She also says she could've relied on friends and family had she needed to. But the PPI policy would've paid a benefit to help Ms H cover her credit card repayments if she'd lost her job or been off work sick. And this would've been on top of any work benefits she got. So I think the PPI gave her useful protection she wouldn't otherwise

have had. And while I'm sure Ms H's friends and family would've wanted to help, this kind of help isn't the same as having an insurance policy you can use. So I don't think this made the PPI unsuitable for her either.

- I haven't seen anything to make me think Ms H couldn't afford the policy or that its cost made it unsuitable for her.

As well as making sure the PPI was right for her, Lloyds also had to give Ms H enough clear information about the policy for her to decide if she wanted it. I don't know if Lloyds properly explained what the policy would cost, or some of the things it didn't cover. But, as I've said, I think it's likely Ms H wanted the cover and it was right for her in her circumstances, so I don't think clearer information would've stopped her from buying it.

I don't think Ms H has lost out because of anything Lloyds may have done wrong so there's nothing it needs to do to put things right.

my final decision

For the reasons I've given, I don't uphold Ms H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 20 February 2017.

Jane Gallacher
ombudsman