

complaint

This complaint is about a credit card payment protection insurance ('PPI') policy taken out in 1998, or some time after. Mr S says Lloyds Bank PLC ('Lloyds') mis-sold him the PPI.

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 S's case.

I've decided the policy wasn't mis-sold because:

- I think Lloyds made it clear that Mr S didn't have to take out the PPI and he chose to take it. Lloyds has not been able to give us all of the paperwork from the time of the sale. But I don't find this surprising because it was around 20 years ago and businesses aren't required to keep paperwork indefinitely. And Lloyds also can't confirm the date of sale but it seems likely it was at the same time or shortly after the credit card start date.

Lloyds has been able to give us a sample of the credit card agreement it would have used at the time the credit card was sold. In section 7 of the application which is entitled '*TSB Credit Card Payments Insurance*', there is a box that would need to be ticked if the PPI was to be taken. As PPI was added to the account, I think Mr S ticked the box to take it. And from what we know of Lloyds' sales practices around that time and after, it seems more likely it would have been clear to Mr S that he didn't have to take the policy.

I can't safely conclude that Mr S wasn't given an option to take out the PPI. And this is because it would be unfair for me to assume something went wrong when I have no evidence that it did.

So, on balance, and given the limited information as to when and how this policy was sold, I can't fairly say that Lloyds didn't make Mr S aware he had a choice about buying the PPI. If the PPI was added when Mr S applied for the card, which is the most likely scenario, he would have been aware that he had a choice about buying it.

- Lloyds is assuming it recommended the PPI to Mr S so it had to check that the PPI was right for him – and based on what I've seen of his circumstances at the time, I think that it was. For example he wasn't affected by any of the exclusions to or limits on the PPI cover.

Mr S has told us he was employed at the time of the sale and would receive employee benefits if he was too unwell to work or lost his job. He also had death in service benefits. Mr S has also said he had some savings and he could have relied on his family to make the repayments if needed. Having the policy in place would have meant Mr S's savings could have remained intact. And while the offer from his family was no doubt well meant, the circumstances of others can change so their offers of help could not be guaranteed.

If Mr S had made a successful claim the policy would have paid up to 10% of the outstanding balance on his credit card every month, and it would have done so for up to 12 months. It also provided life cover. I think Mr S would have found the benefits useful if he wasn't able to work because of illness or lost his job. So he seems to have had a need for the cover. And the policy would have paid out over and above any employee benefits he would have received. So those benefits could have been used for other essential outgoings.

- And if Lloyds didn't give Mr S a personal recommendation to take the policy, it had to provide him with clear, fair and not misleading information about the PPI so that Mr S could make up his mind as to whether he felt the policy would have been useful to him.

It's possible the information Lloyds gave Mr S about the PPI wasn't as clear as it should have been. But he chose to take it out - so it looks like he wanted this type of cover. And it seems like it would have been useful for him if something went wrong.

I've carefully thought about the cost of the policy and taking into account Mr S's circumstances at the time, I still think he would have bought it. I say this because as I explained above, I still think the policy would have been useful if Mr S was out of work for a lengthy time. So I don't think better information about the PPI would have put him off taking out the cover.

I have considered Mr S's comments, including what he has said about not knowing he had the policy and wouldn't have taken it if he had known because of his employee benefits. But because of what I've said, his comments don't change my mind.

my final decision

My final decision is that I do not uphold Mr S's complaint and I won't be asking Lloyds Bank PLC to do anything.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 25 April 2019.

Catherine Langley
Ombudsman