

complaint

Mrs M complains that Lloyds Bank plc (trading as TSB) mis-sold payment protection insurance (PPI) to her.

background

In 1998 Mrs M opened a credit card account with Lloyds. Some time between then and 2000 she was sold PPI to protect payments on the card. The account was closed in 2007. Mrs M told us that the PPI had been applied to the account without any decision from her. If she had been made aware of it she would have said that she did not need or want it.

Our adjudicator did not recommend that the complaint was upheld. Mrs M disagreed so the complaint has been passed to me to make a decision.

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 Mrs M's case.

Unsurprisingly when the account and PPI began (and ended) a long time ago Lloyds does not have any of the documents Mrs M would have signed when opening the account or taking the PPI. But it does still have a few computer records. We know from those that 1998 was when the account was opened. Statements are available back to 2000 and show that Mrs M had the PPI by then. But we don't know when it started. I think it is most likely that that was also back in 1998 when she first took the card.

Lloyds has provided a sample application form used for TSB cards in early 1999. A different form may have been in use in 1998 (if that is when Mrs M's PPI was added). But that is the best available indicator we have of the sort of form Mrs M would have completed. That form contained a section about PPI, which included a box for the applicant to tick if they wanted PPI to be added to their card. From that I think applicants would have realised that the PPI was optional. Without more evidence, on balance I think Mrs M probably would have known the PPI was optional but chose to take it at the time. I appreciate that she has no recollection of that, but it was probably not a particularly memorable decision.

Mrs M said she thought the PPI had been sold by post and that she wasn't given advice about its suitability. But Lloyds didn't know how the PPI was sold and thought it was more likely she had been given advice. If so, as well as giving Mrs M enough information so she could make an informed choice about whether she wanted the PPI, it also had to check that it was suitable for her. Although the policies offered by TSB varied slightly during the period when Mrs M must have taken her PPI, I think that whichever one she had it would have been suitable for her:

- She was eligible for the policies;
- She wasn't affected by any of the limitations (such as those about existing medical conditions) which might make it particularly difficult for some people to make a successful claim. Although some PPI policies contained conditions which made them

unsuitable for self-employed people like Mrs M (who ran her own business), these particular ones didn't;

- While I can see Mrs M might have continued to get some income from her business if she was sick, it seems to me that her income was bound to fall significantly if she was off sick for any length of time. She said her husband would also have helped but that isn't always possible. Initially she told us she had no savings (in 2004 when she thought the PPI was sold). Later she said she and her husband had had substantial savings, but didn't provide any details when I asked for more information about them. Whereas if Mrs M was sick or unemployed after 30 days the PPI would have paid 10% of the balance on her card for up to 12 months. So overall I think the PPI could have been useful for her, if she was sick for a period or her business had to close;
- The PPI was competitively priced and I haven't seen anything to suggest it was unaffordable.

It's possible the information Lloyds gave Mrs M about the PPI wasn't as clear as it should have been. But based on what I know about her circumstances it looks like the policy could have been useful to her. So I don't think better information would have stopped her buying it.

So when, on balance, I don't think Mrs M lost out because of anything Lloyds did wrong, I don't have grounds to uphold her complaint.

my final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 3 July 2017.

Hilary Bainbridge
ombudsman