

## **complaint**

Mrs B says Lloyds Bank Plc (trading as TSB) mis-sold her payment protection insurance ("PPI") policies

## **background**

I issued my provisional decision in November 2017. I explained why I wasn't planning to uphold Mrs B's complaint. An extract of that provisional decision is set out below:

*"Mrs B took out two credit cards in November 1993 – a Visa card and a MasterCard. PPI was added to the cards at the same time or sometime after she took them out.*

*Lloyds hasn't been able to give us any details about the sale of the policies or provide us with any paperwork from the time. This means I have to base my decision on what I think is more likely to have happened using the information I have. This includes my knowledge of Lloyds' PPI policies and sales processes and Mrs B's recollection of what happened.*

*Lloyds isn't able to tell us when the PPI was sold to Mrs B. It might have been sold to her when she took out her credit cards in November 1993. But it's possible it was sold sometime after this. Lloyds has sent us copies of the earliest credit card statements it has - from January 2000. And a charge for PPI is showing on the statements for both the Visa and the MasterCard. So the PPI could've been sold to Mrs B at any time between those two dates.*

*But I think the PPI was most likely sold to Mrs B when she took out the credit cards. I say this because Mrs B doesn't seem to have any recollection of applying for the PPI after she took them out. And Lloyds hasn't said anything to suggest that the PPI was more likely to have been sold to Mrs B later on.*

*Lloyds doesn't know how the PPI was sold to Mrs B. And Mrs B doesn't seem to be certain of this either. She's told us she applied for one of the cards over the phone and the other by post. But from what we know of Lloyds' sales practices at the time, she would most likely have applied for both the Visa and the MasterCard together and the PPI would have been added to both of them.*

*But regardless of how Mrs B took out the credit cards, I think Lloyds is likely to have made it clear to Mrs B that she had a choice about taking out the PPI.*

*I say this because, from what we know of Lloyds' sales processes at the time, it would normally have given its customers a choice about taking out PPI. And I haven't seen anything to show me clearly that Lloyds wouldn't have followed its usual procedure when the PPI was sold to Mrs B.*

*Mrs B has told us that she believes the PPI was added to her cards without her knowledge. But the PPI was sold to her a long time ago and her memory of what happened isn't detailed. The PPI is showing on the earliest credit card statements Lloyds has. So I think it's likely that Mrs B's earlier statements would've shown it too. And I think she would've queried it with Lloyds if she hadn't known the PPI had been added to her cards.*

*So I think it's more likely that Lloyds made Mrs B aware that she had a choice about buying the PPI, and that she chose to take it.*

*Lloyds says it isn't sure if it recommended the PPI to Mrs B but it's looked at her complaint as if it did. If Lloyds recommended the policies, it had the additional responsibility of checking that the PPI was right for Mrs B based on her circumstances at the time.*

*From what Mrs B has said it seems that her employment didn't change from when she took out the credit cards and the latest date the PPI could've been sold to her. She says she was entitled to six months' full sick pay, followed by six months' half pay from her employer. She's told us that her family would've helped her if she'd ever struggled to make her credit card repayments. And she's also told us she could have sold her car if she'd needed to.*

*The PPI would've paid 10% of Mrs B's credit card balance for up to 12 months if she'd made a successful claim. So it would've paid out for longer than she could've received full sick pay. It would have paid out in addition to her sick pay and on top of any redundancy pay she might've received too. Mrs B's family might have been willing to help her, but circumstances change and I don't think she could have relied on this. So I think Mrs B could've found the cover useful. And it would've given her peace of mind that she could've made her credit card repayments without needing to sell any of her possessions.*

*Mrs B was eligible for the policies. She was in permanent employment. And she doesn't appear to have been affected by the main things the policies didn't cover – such as pre-existing medical conditions.*

*So I think Lloyds' recommendation to take out the PPI was reasonable based on what I know of Mrs B's circumstances at the time.*

*Lloyds also had to give Mrs B clear information about the cost, benefits and main features of the PPI, so she could decide whether or not to buy it. It's possible Lloyds didn't give Mrs B all the information it should have. But I don't think better information would've stopped her from buying it. I say this for the same reasons I think Lloyds' recommendation to take out the PPI was reasonable."*

### **responses to my provisional decision**

I gave both parties an opportunity to make further comments or send further information before I reached a final decision.

I haven't received any comments or further information from Mrs B or from Lloyds.

### **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 B's case.

As neither party has commented on my provisional decision, I see no reason to change my decision.

**my final decision**

For the reasons I've explained, I don't uphold Mrs B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 1 March 2018.

Anne Muscroft  
**ombudsman**