

## **complaint**

Mr S complains that he was mis-sold a regular monthly premium Payment Protection Insurance (“PPI”) policy that he took out alongside a credit card with Lloyds TSB Bank Plc in May 1988. He complains that since he was self-employed, the policy terms would have reduced his ability to benefit from the policy.

## **my findings**

I have carefully considered all of the available evidence and arguments from the outset, in order to decide what is fair and reasonable in the circumstances in accordance with our general approach to considering complaints about the mis-sale of PPI, which is well documented. I have also taken into account the law, and good industry practice at the time the policy was sold.

In essence, the questions I need to consider are:

- if any advice or recommendation was given, whether the product was suitable for Mr S’s needs; and
- whether Lloyds TSB gave Mr S information that was clear, fair and not misleading in order to put him in a position where he could make an informed choice about the insurance he was buying.

If I conclude that there were shortcomings in either of the above, this will not necessarily result in me finding in favour of Mr S. I would also need to find that Mr S had acted differently – and to his detriment – as a result.

This is a difficult complaint to decide. Given that this sale took place over 25 years ago, there is very little documentary evidence on which to assess the complaint. Similarly, and quite understandably, the recollections of Mr S about what took place at the time have faded. I will therefore need to base my decision on the limited information available to allow me to arrive at my decision on what is most likely to have happened.

Lloyds TSB has told us that the sale to Mr S was made on an advised basis. It has not been able to provide us with any documentation that supports this conclusion, however since an advised sale places greater responsibility on the business, I am prepared to accept its submission and apply this stronger test. Lloyds TSB was therefore responsible for taking reasonable steps to ensure that the policy it sold to Mr S was suitable for his needs, or if in part it was unsuitable, clearly drawing this to his attention.

Given the passage of time, neither Mr S nor Lloyds TSB have been able to tell us the method by which Mr S applied for his credit card and the PPI. Mr S’s recollection is that the PPI was an automatic “bolt on” to the card whereas Lloyds TSB says it has never had any requirements for customers to take PPI. Taking everything into account, I cannot safely conclude, from the available evidence, that it is more likely than not, that the PPI was an integral part of the credit card. It seems at least as likely that Mr S agreed to the PPI at the time and/or subsequently accepted the monthly cost because he was attracted to the protection it offered.

I do not have the benefit of a policy document specific to this policy at the time of sale to inform my decision. Lloyds TSB has told us that the earliest such document they are able to provide is dated from 1996 so, although it might give us a general indication of how Lloyds TSB's PPI policies were structured, it does not show us the terms and conditions applicable to Mr S's sale.

At the time of the sale, Mr S was in his mid-twenties and in full time employment. It is likely therefore (based on my knowledge of similar policies) that he was eligible for the policy. He was also not suffering from any pre-existing medical conditions or have any expectation of pending unemployment. Lloyds TSB has told us that it does not hold details of the cost of the policy at the time of sale though over time its policies have cost between 59p and 79p per £100 of outstanding statement balance. Given what I know of Mr S's circumstances at the time, I am not persuaded these costs would have been unaffordable or unacceptable to him even if they were towards the higher end of those quoted.

I am also unable to determine the benefits payable by the policy. Lloyds TSB tells us that all its policies paid monthly benefits in the range of 3% to 10% of the outstanding statement balance and it is confident this policy would have fallen within that range. There is clearly a large range in the potential levels of benefit payable, and there is no doubt that the greater the benefit the more attractive this policy would have been to Mr S. And while I don't know for sure what the benefit actually was or whether this was made clear to Mr S, I am satisfied that even if it were towards the lower end, it would still have provided a useful benefit to Mr S in the event of a successful claim and would have been payable in addition to any alternative means he had of supporting his monthly outgoings.

At the time of the sale, Mr S was self-employed. There is a likelihood that different types of evidence would have been required for a self-employed person to demonstrate unemployment compared with an employed person. In many policies, these terms did not present an unreasonable burden but in some policies they made it difficult for a self-employed person to make a successful claim. Without sight of the terms applicable to this policy I cannot know for sure what Mr S would have needed to evidence to make a claim. The nearest product documentation we have to this sale (albeit, as noted earlier, from several years later) does not seem to me to make it particularly difficult for a self employed person to make a successful unemployment claim. I cannot therefore safely conclude that Mr S would have been prevented from utilising the unemployment benefits available should the need have arisen.

In summary, and given the lack of specific information, I cannot conclude that Lloyds TSB made a poor recommendation to Mr S. It is likely that he was eligible for the policy and I think it reasonable to assume that, particularly given the length of time he has held the policy, he found the protection it offered to be beneficial given his personal circumstances. I have no evidence to suggest that Mr S would have been restricted in his ability to claim by his self-employment or a pre-existing medical condition, or that the cost of the policy was not affordable to him.

It follows therefore that I do not uphold this complaint.

### **my final decision**

For the reasons given above, I do not uphold the complaint or make any award against Lloyds TSB Bank plc

Paul Reilly  
**ombudsman**