Financial Ombudsman Service

complaint

Mr M says Lloyds Bank plc (trading as TSB at the time) mis-sold him a payment protection insurance ("PPI") policy.

background

This complaint is about a credit card PPI policy. Mr M opened the credit card account in 1999. Due to the time that's passed, Lloyds hasn't been able to show exactly when the PPI policy was added to the account. It may have been taken out when the card was set up, but we do know that the policy was up and running by January 2000 at the latest.

Our adjudicator didn't uphold the complaint. Mr M disagreed with the adjudicator's opinion so the complaint has been passed to me.

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 Mr M's case.

I've decided not to uphold Mr M's complaint. I'll explain why.

- Lloyds no longer has a copy of the application form for the PPI. I don't think that's unreasonable, given that the policy was sold such a long time ago. But it has provided a copy of the type of application form that was in use when Mr M opened the credit card account. It includes a box to tick if the applicant wished to take PPI. And from other application forms we've seen, and what we know of its selling practices in 1999 and 2000, I think it more likely than not that Lloyds made Mr M aware that the PPI was optional and that he chose to take it – although I can understand why he may no longer remember this.

- Lloyds no longer has any record of how the policy was sold, but Mr M says he took it out during a meeting. It's possible that Lloyds recommended the PPI to Mr M, in which case it had a responsibility to make sure that it was suitable for him. But even if Lloyds did recommend the policy to Mr M, it doesn't look as if it was unsuitable for him, based on what I've seen of his circumstances at the time.

- It's true that Mr M's told us he'd have been entitled to some sick pay and redundancy pay from his employer. But the type of policy that he bought would have paid 10% of the balance outstanding on his credit card each month for up to 12 months per successful claim if Mr M had been off sick, or if he'd lost his job. That's longer than Mr M would have been entitled to full pay from his employer for. And it would have allowed him to use any payments from his employer to meet other living expenses. I think this would have been particularly important, given that Mr M says he didn't have any other means he could have used to make his credit card payments. Overall, I think it could have provided him with a useful benefit at what would have been a difficult time. The policy also provided life cover.

- It's possible the information Lloyds gave Mr M about the PPI wasn't as clear as it should have been. But I think Mr M chose to take out the policy, so he appears to have wanted this type of cover. From the information that Mr M's provided, there's nothing to suggest that he'd have been affected by any of the exclusions or limitations. And the policy was competitively priced and apparently affordable. So I think it unlikely he'd have made a different decision if better information had been provided. On balance I think he'd still have taken out the policy.

I've taken account of all Mr M's comments, including what he's said about not having been told he could buy PPI elsewhere. But Lloyds wasn't obliged to tell Mr M about products available from other lenders, so this doesn't change my view.

my decision

For the reasons set out above, I don't uphold Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr M to accept or reject my decision before 3 April 2017.

Juliet Collins
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