

complaint

Mr T says Lloyds Bank Plc trading as TSB ("Lloyds") mis-sold him a payment protection insurance ("PPI") policy.

background

Mr T took out a PPI policy with a credit card, sometime between 1996 and 2000.

Our adjudicator didn't think the complaint should be upheld. Mr T 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 T's case.

Due to the passage of time, Lloyds isn't sure exactly how or when the policy was sold to Mr T. So, because Lloyds doesn't know the date it sold the policy, it's used Mr T's credit card account start date as the date of sale. Based on what I've seen of Mr T's circumstances, they didn't change between 1996 and 2000. I've assessed the complaint as if it was sold in 1996. But even if it had been in 2000, I'd have reached the same decision.

I've decided not to uphold Mr T's complaint, and I'll explain why.

Lloyds needed to make it clear to Mr T that he had a choice about buying PPI. But Mr T says that it didn't.

Lloyds hasn't been able to provide a copy of Mr T's actual application form. But this isn't unusual or surprising, as businesses aren't required to keep information indefinitely, and the sale was a long time ago. Instead it's provided an example of the form it says was in use at the time. The example form shows that there was a separate section for PPI, which included a box that needed to be ticked. So Lloyds thinks Mr T would've filled out this form and ticked the box.

When Mr T first made his complaint to us, he didn't say that he wasn't given a choice about buying the policy, or that he didn't agree to take it out. But in response to our adjudicator's assessment, he said he wasn't aware he'd been sold PPI. I've thought very carefully about everything Mr T has said. I've considered the possibility that the PPI was added to Mr T's account without his knowledge. But without stronger evidence, I don't think it's most likely this is what happened in this complaint. Overall, taking everything into account, I think it's more likely that Lloyds made it clear to Mr T that he had a choice about buying PPI, and that he chose to take it out.

Because of the uncertainty about how and when the policy was sold, Lloyds has assumed, for the purposes of this complaint, that it provided a tailored recommendation to Mr T during a meeting in branch. This places a higher level of responsibility on Lloyds, as it means it had to make sure the policy it sold was suitable for Mr T, taking into account his circumstances at the time.

Mr T says he never should've been sold the policy as he was self-employed and therefore couldn't have made a claim. But from what I've seen, the policy Lloyds sold didn't restrict self-employed people from making a claim. And Mr T also doesn't appear to have been affected by any of the main things the policy didn't cover, such as pre-existing medical conditions. So I think it's likely that Mr T could've made a successful claim if he needed to.

The information I have suggests Mr T didn't have any savings, or any other means to help make his repayments if something were to happen. And he also says he wouldn't have been entitled to any sick pay if he couldn't work due to illness. So I think the policy could've been useful to him if he was unable to work.

The PPI seems to have been competitively priced when compared to similar policies on the market at the time. And I haven't seen anything to suggest that keeping costs down was a priority for Mr T, or that he couldn't afford the policy when he took it. So taking everything into account, I think the policy Lloyds sold Mr T was suitable for his needs at the time.

As well as making sure the policy was suitable for Mr T, Lloyds needed to give him clear enough information about it, for him to decide if he wanted to have it. From what I've seen, I think it's possible that Lloyds wasn't as clear as it should've been. But I don't think better information would've changed Mr T's mind about the policy. I say this for the same reasons I think the policy was suitable for him.

I've taken into account Mr T's comments, including what he's said about receiving compensation on his other PPI complaints with Lloyds. I can understand why this is important to Mr T. But I have to look at each complaint on its own facts. And as I've already explained, based on the facts of this case, I don't think Mr T lost out because of anything Lloyds did wrong. So this point doesn't change my conclusion.

my final decision

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

Under the rules of the Financial Ombudsman Service, I am required to ask Mr T to accept or reject my decision before 16 June 2017.

Adam Golding
ombudsman