

complaint

Mrs F says Lloyds Bank PLC (trading as Lloyds TSB) mis-sold her a payment protection insurance (PPI) policy.

background

Mrs F bought the policy in branch when she took out a loan in 2001. The loan included an amount to pay for the policy.

Our adjudicator didn't uphold the complaint. Mrs F 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 Mrs F's case.

I've decided not to uphold Mrs F's complaint.

Mrs F says she wasn't given an option about whether or not to take PPI and that she thought she had to have it.

But I've seen a copy of Mrs F's credit agreement. Within this there is a separate box which says "*optional loan protection?*" and there is an option to place a cross in the "yes" or "no" box. I can see that a printed cross has been placed in the "yes" box.

I think it's most likely this box would have been selected following the discussion with Mrs F in branch. I can also see that Mrs F has signed this agreement. Had Mrs F decided that she didn't want the PPI she could have spoken to the advisor in branch.

So overall, I think Lloyds made Mrs F aware that she had a choice about buying the PPI, and that she chose to take it out.

Both Lloyds and Mrs F have said the policy was recommended to her. This means that Lloyds had to make sure the policy was right for her. Based on what I've seen of Mrs F's circumstances at the time the PPI was sold, I think the policy was suitable for Mrs F.

Mrs F has said that she would've received sick pay from her employer for three to six months and that she would've been entitled to statutory redundancy and sick pay. But her PPI would've paid out in addition to anything she received from her employer and it would've paid out for longer.

Mrs F has also said she could've relied on family, friends and her husband to help meet the loan repayments if she wasn't working. But this cannot always be guaranteed as things change- it is possible that Mrs F's family may not have been in a position to cover her payments at the point at which she became ill or unemployed. So overall, I believe Mrs F would've found her PPI of value.

Mrs F has said she's unhappy Lloyds didn't ask her about any other insurance she held at the time. I can see that she's said she had joint accident insurance. But having asked Mrs F for further details about this, she cannot recall what this policy was or if it was in her name. So I think it's unlikely that this would've changed Mrs F's mind about taking the policy.

I think Lloyds could've explained the cost of the policy better than it did. I say this because the interest on the PPI was not shown on Mrs F's loan agreement. But even if Lloyds had made this clear, I still think she would have bought the policy for the reasons above. And, given how long the policy could have paid out for, if Mrs F made a successful claim she could've got back quite a bit more than she paid for it.

Mrs F would've got back only a limited refund of the PPI premium if she cancelled the policy early. I don't know if Lloyds thought about this when it recommended the policy, or if it explained the situation clearly to Mrs F. But I haven't seen anything to suggest she thought she'd repay the loan early when she first took it out. So I don't think this meant the policy wasn't right for her – or that better information about this would've stopped her buying it.

As well as taking steps to ensure the policy was suitable for Mrs F, Lloyds also had to give her information in a clear, fair and non-misleading way so she could make a choice about whether or not to take the policy.

Mrs F has said the terms and conditions were not explained to her properly and neither were the policy's exclusions. It's possible Lloyds didn't point out the main things the policy didn't cover. But Mrs F doesn't appear to have been affected by any of those things. So even if Lloyds gave Mrs F good enough information about the policy, I still think she would've taken it. So I don't think Mrs F lost out as a result of anything Lloyds did might have done wrong.

Mrs F has also said that Lloyds didn't tell her she could go elsewhere to take out PPI. But they didn't have to.

I've taken into account all of Mrs F's comments, but these points don't change my conclusion.

my final decision

For the reasons set out above, I don't uphold Mrs F's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mrs F to accept or reject my decision before 12 May 2017.

Marie Camenzuli
ombudsman