

## **complaint**

Mr S says Lloyds Bank PLC ('Lloyds'), trading as TSB, mis-sold payment protection insurance ('PPI') to him when he took out a credit card.

## **background**

I attach my provisional decision of 9 February 2017, which forms part of this final decision.

In that provisional decision, I set out the background and circumstances of this complaint and explained why I wasn't intending to uphold it.

I asked Mr S and Lloyds to send me by 9 March any more information or comments they wanted me to consider, before I issued my final decision.

Mr S has said he's got nothing to add to what he'd already told us. Lloyds hasn't replied.

## **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 S's case.

I've not been given any new information to consider. I've reached the same conclusions as in my provisional decision, for the same reasons. And on balance I don't think it's fair and reasonable to uphold this complaint.

## **my final decision**

For the reasons I've explained, I'm not upholding this complaint. Lloyds Bank PLC doesn't have to do anything more.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 13 April 2017.

Chris Langford  
**ombudsman**

## Copy of Provisional Decision

### complaint

Mr S says Lloyds Bank PLC ('Lloyds'), trading as TSB, mis-sold payment protection insurance ('PPI') to him when he took out a credit card.

### background

Mr S bought a monthly premium PPI policy from Lloyds for his credit card (ending 3873), sometime in or before January 2000 - probably in 1995, when he applied for the card.

From what Lloyds has told us, it's likely the PPI policy cost 79 pence or less for every £100 of his outstanding monthly card balance. It would've paid 10% of his balance each month if he couldn't work because of accident or sickness, or lost his job. And it would've paid off the whole balance if he'd died.

Mr S is complaining about how the PPI was sold to him. Among other things, he says he wasn't consulted about having it, or given any information about it.

Our adjudicator thought his complaint should be upheld, as Mr S had a medical condition which meant the policy that Lloyds recommended didn't meet his needs. But Lloyds disagrees, so it's come to me to decide.

### my provisional 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 when deciding Mr S's case.

I'm not currently proposing to uphold his complaint. I'll explain why.

*was Mr S given a choice – and did he agree to have PPI?*

I don't have much clear information about how Mr S came to buy the PPI. And I've not got any actual paperwork from the sale. That's not very surprising after so many years. But it means I have to decide what I think's most likely to have happened, based on what Mr S and Lloyds have been able to tell us, Lloyds' computer records and usual sales procedure, and the example application form from the time which Lloyds has sent us.

Mr S thinks he bought the PPI by post. Lloyds doesn't know how it was sold. But I think Mr S is likely to be correct. As far as I know he didn't discuss PPI with anyone from Lloyds, before he took it out. If he did, I don't know what was said about it.

Mr S says he didn't know PPI was being added to his card, and that he didn't agree to have it. And that's possible. But Lloyds has sent us an example of the type of application form that it says was in use for credit cards in and around 1995, as part of its normal sales process, and which it thinks he will've filled in and signed. I can't be sure Mr S did that, but I think he probably did. So I've looked to see what this form would've told him about the PPI.

I see the form had a section dealing with PPI. This included a box which could be ticked if he wanted to have PPI with his card. To my mind, this would've shown Mr S that he didn't have to have it. So in my view, taking into account that form and Lloyds' usual sales process, I think it's likely Lloyds did enough to make it clear to Mr S that he had a choice whether or not to buy the PPI. And that he probably ticked the box to say he wanted it.

I've not been told about anything specific that Lloyds did or said which would've led Mr S to think he had to buy the PPI, in order to get the card. Or anything which clearly shows he was put under unfair pressure to have it.

So I don't know a lot about how Mr S came to buy the PPI. But on balance, from the limited information I've got, I think he probably agreed to take it out, knowing he had a choice – even if understandably he doesn't remember that now, after such a long time.

*did Lloyds give him good enough advice and information?*

Mr S doesn't think Lloyds recommended the PPI policy to him. Lloyds doesn't know whether or not it did. If, as Mr S thinks, he bought it by post, Lloyds probably didn't recommend it to him personally. Which would mean it didn't have to find out about his needs, and make sure the policy would be right for him. But even if it did advise him to have the PPI, from what he's told us about his situation at that time, I don't think the policy was unsuitable for him.

I say that because I think Mr S was eligible for the policy, and it could've been useful for him. I don't think any of the main things it didn't cover would've put him off buying it. And I've not seen anything to suggest he couldn't afford it.

Mr S says he would've got sick pay from his job if he couldn't work because of illness or injury. But he's told us this was for less than three months. The PPI benefits could've gone on for up to 12 months at a time, and would've been on top of any sick pay or redundancy payment he got. And apart possibly from a small amount of savings, as far as I know he didn't have any other means he could use to meet his card repayments, without PPI.

He's told us his wife was working at that time too. But if Mr S wasn't earning, I think it would've probably affected their overall financial position quite quickly.

So weighing all these things up, I think it was reasonable for Lloyds to have recommended the policy to Mr S, if it did. But it also had to give him clear enough information about the PPI, before he agreed to buy it, so he could decide whether he wanted it.

Lloyds thinks Mr S would've been given details of the policy's cost and terms, before he agreed to have it. That may've happened. But Mr S doesn't think it did, and I can't be sure what he got, and when. So it's possible the information he had, when he decided to buy the PPI, could've been clearer.

But in my view it's unlikely Mr S would've acted differently – and not taken out the PPI – if he'd had better information.

That's because, as I've explained, I think the PPI could've been helpful for Mr S. Even if he was fully aware of its cost and main features, I think he'd probably have seen the policy as having value in his circumstances.

As its cost depended on the level of his spending, if he didn't use the card a lot, the policy wouldn't cost him very much. If he did, it would give him potentially useful protection.

And as Mr S was paying for the policy monthly, he could cancel it without further expense if his situation changed, or he didn't want it any longer.

Our adjudicator felt the complaint should be upheld because Mr S has told us that when he took the policy out, he had a medical condition. And the policy that it's likely he bought said that it wouldn't cover 'any disability caused or contributed to by a condition for which [he'd] consulted or received treatment from a doctor' in the 12 months before the cover began.

I don't know if he'd seen a doctor about his condition during the previous year. But anyway I agree with our adjudicator that Lloyds should've drawn this exclusion clearly to his attention, before he agreed to buy the PPI. And I've not been shown that it did this well enough.

But even if Lloyds had done that, I think it's unlikely to have changed his decision to have the PPI.

I say that because he's told us his condition had been diagnosed around 20 years earlier, it was being controlled by medication and he didn't feel it was stopping him leading a normal life. And he's said he'd never had to take any long periods off work with it. So I don't think he would've felt it was particularly likely to lead him to claim under the PPI policy, which only paid out if he was off work for 30 days or more.

So on balance, I think he'd probably still have bought the policy, even if he'd been given all the information he should've had. This means Mr S isn't worse off because of anything Lloyds may've done wrong. And there's nothing it needs to do to put things right.

I've thought carefully about all the points Mr S and his representatives have raised so far. And I realise he'll be disappointed at this outcome. But weighing up everything I've read and been told up to now, I don't think it'd be fair and reasonable to uphold his complaint.

#### **my provisional decision**

For the reasons I've explained, I'm not currently intending to uphold this complaint, or to tell Lloyds Bank PLC to do anything more.

I invite Mr S and Lloyds to send me any more information or comments they'd like me to consider before I give my final decision. These should please be given to us by the date I've indicated.

Chris Langford  
**ombudsman**