

complaint

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

background

I issued my provisional decision in November 2017, a copy of which is attached and forms part of this final decision. In my provisional decision I explained why I wasn't intending to uphold Mr A's complaint. I asked everyone to send me any further comments and information before I reached a final decision.

Neither Mr A or Lloyds responded with anything further for me to consider. I also emailed both parties on 5 January 2018 to ask if anyone had anything further to add, but I haven't received a response.

my findings

I've re-considered all the evidence and arguments already sent to us to decide what's fair and reasonable. As I've not received any new evidence, I've reached the same conclusions I reached in my provisional decision, for the same reasons.

my final decision

For the reasons I've explained, I don't uphold Mr A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 15 February 2018.

Daniel O'Shea
ombudsman

copy of provisional decision

complaint

Mr A says Lloyds Bank PLC (trading as Lloyds TSB) ('Lloyds') mis-sold him a payment protection insurance ('PPI') policy.

background

Mr A bought the policy in 2000 at the same time as taking out a credit card. Our adjudicator didn't uphold the complaint. Mr A disagreed with the adjudicator's opinion, so the complaint has been passed to me.

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 in deciding Mr A's case.

I'm not currently intending to uphold Mr A's complaint for the reasons below.

Mr A has said that the PPI was added without his knowledge or consent. But I think Lloyds made Mr A aware that he had a choice about buying the PPI, and that he chose to take it. On the credit card application form which Mr A signed, there were 2 equally prominent boxes which could be ticked to indicate if PPI was wanted or not. The 'yes' box is ticked. I think it's likely, as this was a branch sale, that a discussion took place about PPI and Mr A chose to take it, understanding that he had an option.

Lloyds say they recommended the PPI to Mr A. This means they had to take steps to find out about Mr A's situation and needs. I don't know what, if any, questions they asked Mr A or what answers he gave. But based on what I've been told about his circumstances at the time, as suitable for Mr A's circumstances. I think the recommendation was suitable and this policy was right for Mr A. I say this because:

- Our adjudicator has clarified Mr A's employment circumstances with his representative and based on this information, I think that he was eligible for this policy.
- Based on what I've seen of Mr A's employment circumstances, I can't see that that he would've been affected by any of its main limitations or exclusions.
- Mr A says he wouldn't have been entitled to any sick pay but had other means worth approximately 6-12 months of his pay that he could've used to make his repayments if he was unable to work. I don't know much about these other means at present, but from what he's told us so far, I think they were wholly or mainly shares and other investments, the value of which would've changed over time and which it mightn't have been easy to sell quickly.
- And anyway, with this policy, Mr A could've claimed for up to 12 months for an accident, sickness or unemployment claim and it could've paid out in addition to and for longer than his existing means. This would've meant Mr A wouldn't have had to rely on his other means and he could've used them for other purposes. So I think this policy could've provided useful cover for Mr A.

Lloyds also had to give Mr A good enough information so he could decide if he wanted to take this policy. Mr A says they didn't and it's possible the information Lloyds gave Mr A about the PPI wasn't as clear as it should've been. In particular, the main limitations and cost of the policy wasn't as clear as it should've been. But Mr A doesn't appear to have been affected by any of the main things the policy didn't cover – and based on what I know about his circumstances, it looks like the policy could've been useful to him. So I don't think better information would've stopped him buying it.

cancellation of the policy

Lloyds have provided the monthly statements from the time Mr A took out this card and policy. I can see that Mr A was charged a premium for PPI as it appears on his first statement, but it's then refunded on his second statement and not charged again. I've spoken to Lloyds and they've said the PPI was cancelled and Mr A was refunded what he'd paid for the first month and he wasn't charged any PPI premiums after that. So if that's right, Mr A hasn't lost out, even if Lloyds did do something wrong during this sale.

my provisional decision

For the reasons set out above, I currently don't intend to uphold Mr A's complaint.

If either Mr A or Lloyds have anything further to add, they should do so by 4 December 2017. I'll then reconsider the complaint.

Daniel O'Shea
ombudsman