

complaint

Mr P complains that Lloyds Bank PLC, trading as TSB, mis-sold him a payment protection insurance ("PPI") policy.

background

In 1996 Mr P took out a credit card and with it a PPI policy. Neither Lloyds nor Mr P can remember what sales process was used for taking out the card. His account was closed in 2004.

Our adjudicator didn't uphold Mr P's complaint. He disagreed, so his complaint has been passed to me to consider. Mr P said, in summary:

- it was not so much what was written, but what was said. Such as things like "it gives you peace of mind" or it "takes a weight off your shoulders".
- the staff were encouraged to get you to sign up for PPI to get a bonus.

my findings

I've considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, on what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

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 P's case.

I've decided not to uphold Mr P's complaint for the reasons set out.

was the optional nature of the policy made clear, and if so did Mr P decide to take out PPI?

Mr P took out the credit card and PPI around 20 years ago. Banks often only hold on to records for six years, so, it's not surprising, that Lloyds no longer has a copy of Mr P's paperwork from the time of the sale.

In deciding this complaint, as well as taking into account what Mr P remembers from the time, I've also looked at what we've learnt about TSB's sales practices. I've looked at the sample application form Lloyds says was in use at the time. This asks the consumer to say whether they want PPI, by ticking either the 'yes' or 'no' box.

I haven't heard anything that makes me think TSB wasn't using its usual paperwork at the time of this sale. So, I think it likely that paperwork like this would've been used when Mr P took out his card and PPI.

Overall, taking into account the limited information I have, I can't fairly say that, more likely than not, the optional nature of the policy wouldn't have been made clear to Mr P. I think the paperwork did make it clear enough that PPI was optional. I think it likely therefore that Mr P indicated on the application he did want to take out PPI before it was added.

I don't think I can fairly say that Mr P was pressurised into taking out the policy. Based on what Mr P's told me the staff said, I think he did understand he didn't have to take out PPI.

was PPI suitable for Mr P?

Lloyds says it advised Mr P to take out the PPI. So it had to consider whether it was suitable for him. It also had to give him information about the PPI that was clear, fair and not misleading to allow him to make an informed choice about whether to take it out.

I haven't seen anything that makes me think the PPI was unsuitable given his circumstances at the time. I say this because:

- he was eligible for the policy and I can't see that it was unaffordable.
- he wasn't affected by any of the main limitations or exclusions, which would've made it more difficult for him to make a claim.
- he was working, but couldn't remember if he would've got any sick pay if off work. He had no other means of making the repayments. So, I think the PPI could've provided him with a useful benefit and reassurance that his repayments would be met.

was Mr P given information that was clear, fair and not misleading to decide whether the policy was right for him?

I don't know exactly what information Mr P was given when the policy was sold. So, I've looked at whether, if he'd been given more or better information, likely he would've made a different choice and not taken out the policy. I still think he would've taken out the policy. I say this because:

- I think the policy was suitable for his needs and it provided useful protection.
- he wasn't affected by any of the main limitations or exclusions, so he hasn't lost out, even if the information about these things could've been clearer upfront.
- the cost of the policy was competitively priced and appeared affordable. I think Mr P likely would've thought it was worth the money to get the cover.

So, I can't see that Mr P has lost out because of anything Lloyds may have done wrong.

my decision

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

Under the rules of the Financial Ombudsman Service, I am required to ask Mr P to accept or reject my decision before 25 August 2016.

Kim Parsons
ombudsman