

## **complaint**

This complaint is about a payment protection insurance (PPI) policy taken out in 1995 on both a Visa card and a MasterCard. Mr K says Lloyds Bank PLC, trading as TSB, mis-sold him PPI.

## **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 K's case.

I am not upholding Mr K's complaint and I will explain why.

Mr K says he wasn't aware PPI was optional and he has no recollection of being told about it. But based on the evidence I've seen I think Lloyds made it clear that Mr K didn't have to take out PPI and he chose to take out this cover – although due to the amount of years that have passed I can understand why he can't remember this. I say this because I've seen a copy of Mr K's credit card application form. This included a section for PPI with both a 'yes' and 'no' option for the cover. The 'yes' option has been ticked and Mr K signed the form, agreeing for PPI to be added to both his Visa card and MasterCard. So I think this reflected what he wanted at the time.

I think its more likely than not Lloyds advised Mr K to have the PPI policy in the meeting. So as it did this, it needed to ensure the policy was suitable for him. Based on what I've seen of his circumstances at the time, I think that it was. For example he wasn't affected by any of the exclusions to or limits on the cover. I've also considered what Mr K has said about his sick pay at the time but I think he would have found value in having the cover as it would have paid out for an extended period of time longer than his sick pay. So I think the cover was suitable and I think it would've been useful for him had he needed to make a claim.

It's possible the information Lloyds gave Mr K about PPI wasn't as clear as it should've been. But he chose to take it out - so it looks like he wanted this type of cover. And it seems like it would have been useful for him if something went wrong. So I don't think better information about PPI would have put him off taking out the cover.

This means Lloyds doesn't have to pay back all of the cost of the cover to Mr K. But Lloyds has paid back *some* of the cost of PPI to Mr K because:

- Lloyds got a high level of commission and profit share (more than 50% of the PPI premium) - so it should have told Mr K about that. Because Lloyds didn't tell Mr K, that was unfair.
- To put that right, Lloyds has paid back the amount of commission and profit share that was above 50% of the PPI premium - and I think that is fair in this case.

## **my final decision**

PPI wasn't mis-sold – so Lloyds Bank PLC does not have to pay back all of the cost of the cover to Mr K.

But Lloyds Bank PLC does have to pay back to Mr K any commission and profit share it got that was more than 50% of the PPI premium. I understand it has already done this, so I don't award any further compensation.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr K to accept or reject my decision before 22 March 2019.

Mark Richardson  
**ombudsman**