

## **complaint**

Mrs R says Lloyds Bank plc (trading as TSB at the time) mis-sold her a payment protection insurance ("PPI") policy.

## **background**

This complaint is about a credit card PPI policy. Mrs R opened the credit card account in 1994. Lloyds no longer has a record of when Mrs R took out the PPI. It may be that it was added to the card when she took it out. But we do know that the policy was up and running by January 2000 at the latest. Lloyds no longer has a record of how Mrs R took out the policy, but Mrs R says she applied for the credit card at a branch of the bank.

Our adjudicator did not uphold the complaint. Mrs R 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 R's case.

I've decided not to uphold Mrs R's complaint. I'll explain why.

- Lloyds no longer has a copy of Mrs R's application for the credit card or PPI. I think that's understandable, given how long ago the sale took place. Where the evidence is incomplete or inconclusive I need to decide what I think's most likely based on the information I have.
- Lloyds has provided a copy of the type of credit card application form that was used for credit card sales in its branches at the time. The form includes equally prominent options to take or decline PPI. I think it's likely, on balance, that Mrs R ticked the box on the credit card application form to say that she wanted to take PPI. And if she took out the policy at some point after she opened the credit card account, I think it's unlikely she'd have thought that the PPI was compulsory. So overall, I think Lloyds made Mrs R aware that the PPI was optional and that she chose to take it – although I can understand why she may no longer remember this.
- It's possible that Lloyds recommended the PPI to Mrs R. If it did, it had a responsibility to make sure that it was suitable for her. But it doesn't look as if it was unsuitable for her based on what I've seen of her circumstances at the time. Mrs R's told us she'd have been entitled to some sick pay and redundancy pay from her employer. But she says she had no other means of meeting her monthly credit card repayments if she'd been off sick or lost her job.
- The PPI policy would have paid 10% of the outstanding balance on Mrs R's credit card for up to 12 months per successful claim. That's longer than she'd have been entitled to sick pay for. And it would have enabled her to use any payments from her employer to meet other living expenses.

- Mrs R's representative has commented that Mrs R had two jobs when she took out the PPI. One of the jobs was on a self-employed basis. It says it's unlikely she'd have been able to benefit from the policy, as it was unlikely she'd suddenly have lost both jobs. And it says the policy terms for self-employed people would have prevented her from making a successful claim.
- I've considered these arguments carefully. Mrs R has provided evidence that she's been entitled to carry out the self-employed occupation she's referred to since early 1994. But although we've asked more than once for details of how her working hours were divided between her employed job and her self-employed job, we haven't received them. Lloyds has told us that when it spoke to Mrs R on the phone after she made her complaint, she said she'd been employed and working 37 hours per week when she took out the credit card. And I've seen the form which Mrs R completed when she made her complaint to Lloyds. Although the date of sale isn't filled in, she said she was employed, and she ticked a box to say that she didn't have more than one job. Boxes to tick if Mrs R was self-employed, or if she was employed part-time are left unticked. She also said her circumstances hadn't changed since she took the PPI.
- The PPI policy said that Mrs R could claim the monthly benefit if she was unemployed for 30 or more consecutive days "*as certified by the Department of Employment*". It said it wouldn't pay out for any period of unemployment unless Mrs R was registered as unemployed and actively seeking re-employment.
- On the basis of the information I have about Mrs R's work at the time, I think it likely that her employed work was her main job. And I think it likely she'd have been able to register with the Department of Employment as someone needing full-time work if she'd lost it. That would have meant that she'd have been able to claim for unemployment under the PPI policy. So I'm not convinced that Mrs R's employment situation at the time made the policy unsuitable for her.
- It's possible the information Lloyds gave Mrs R about the PPI wasn't as clear as it should have been. But I'm satisfied that Mrs R chose to take out the policy, and so appears to have wanted this type of cover. She wasn't affected by any of the exclusions or limitations and the policy was competitively priced and apparently affordable. So I think it unlikely Mrs R would have made a different decision if better information had been provided. On balance I think she'd still have taken out the policy.

### **my decision**

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

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

Juliet Collins  
**ombudsman**