

## **complaint**

Mr B, through his representative, has complained to us that Lloyds Bank PLC, trading as Lloyds TSB ("TSB") mis-sold him a single premium payment protection insurance ("PPI") policy in 2009.

Mr B says he didn't want the PPI and didn't know it had been added to his loan.

## **background**

Mr B bought the policy when he was taking out a personal loan. He bought it during a telephone call. It included cover for accident, sickness and unemployment.

The term of the loan was five years.

Our adjudicator didn't think the policy had been mis-sold. Because Mr B disagrees, his complaint has been passed to me for a final decision.

## **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 payment protection insurance on our website and I've taken this into account in deciding this case.

I've decided not to uphold this complaint. I'll explain why.

Mr B and TSB agree that it made a recommendation that he should buy the cover. That means TSB had to make sure that the cover was suitable for Mr B's personal situation and also that it gave him clear information that wasn't misleading. That included reviewing Mr B's financial situation and whether he already had similar products to PPI.

Next I've looked at the available paperwork from the sale. On the loan application, I can see that Mr B signed a separate section of the agreement to show that he wanted to buy the cover. He also signed for the loan. I've seen that Mr B's representative has questioned whether it was Mr B's signature on the PPI paperwork. I'm not an expert in this area, but the signatures for buying the PPI and taking the loan, as well as those on the questionnaire sent to this service, all appear very similar. So it appears to me that Mr B probably *did* agree to buy the PPI.

Taking all this into account, plus what I know about TSB's processes at the time for sales like this, I think it's likely that Mr B would have been aware that he was buying the policy.

I've also thought about what Mr B's told us. But given the length of time that's passed since the sale, I haven't anything to make me feel that the sale happened in a way such that he didn't know he was taking the policy.

From what I've seen, Mr B was eligible for the policy. And I haven't seen anything that makes me think he would've been disadvantaged by any of its main exclusions.

The PPI would've covered Mr B's loan repayments for accident or sickness until he returned to work and for up to a year if he lost his job. So if Mr B had made a successful claim the

policy would've provided him a worthwhile benefit in addition to his other sources of repayment. And it would be helping him in a different way to the other insurance Mr B had, such as life insurance.

I've seen that Mr B was self-employed at the time he bought the cover. Having checked the policy, I don't think that this made it more difficult for him to make a successful claim than it would be for an employee.

All of this makes me think the policy was suitable for Mr B's situation.

I don't know how the cost of the policy was described to Mr B during the sale. The monthly cost of the policy, being £51.81, was set out on the loan agreement form. The loan agreement also showed the total amount Mr B would have to pay for the cover, being £3,108.60. So I think it's very likely that Mr B was aware of the cost when he bought the policy. And I haven't seen anything that suggests the policy was too expensive for him. So although I can't tell for sure, it seems to me very likely that Mr B would have known about the cost of the policy at the time he took out the loan.

I've seen that this policy didn't necessarily give a refund that, if it was cancelled early, was in proportion to the time a customer had held it. This wasn't ideal and was something that Mr B ought to have been made aware of. I've noticed that Mr B was taking out the loan to help with home improvements. And I haven't seen anything else that makes me think the loan might have been used to pay off existing debts. Nor am I aware of anything to suggest that Mr B had a history of refinancing loans or repaying them early, or that he may have intended to adopt either course in the future. So this doesn't affect my decision.

I can see that TSB perhaps could have done things better in the way it sold Mr B the policy. But I still think he would've bought it even if he'd been more fully advised and informed.

I've also thought carefully about the points recently raised by Mr B's representative. These don't change my opinion.

So I don't think the policy was mis-sold to Mr B. I'm sorry to disappoint him.

### **my final decision**

For the reasons I've given, I'm not upholding Mr B's complaint against Lloyds Bank PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 13 October 2016.

Michael Goldberg  
**ombudsman**