

complaint

Ms S says Lloyds Bank PLC – then trading as TSB - mis-sold her a payment protection insurance (PPI) policy.

background

Ms S says she bought the policy in 2000 during a meeting with Lloyds. Lloyds says it doesn't know when the PPI was sold. The policy was sold to cover Ms S's credit card.

Our adjudicator didn't think we should uphold the complaint. Ms S disagreed with the adjudicator's opinion, so the complaint was passed to me. I issued my provisional decision in September 2017 and explained I wasn't intending to uphold Ms S's complaint. Here's what I said:

Lloyds says it doesn't know when the policy was sold to Ms S and it doesn't have any copies of the paperwork from the sale. So it says it has considered the policy was sold alongside her credit card in 1995. I've also considered what Ms S says about her circumstances up to 2000, when she thinks it was sold.

Whenever the policy was sold, Lloyds should've taken reasonable steps to make Ms S aware she had a choice about buying PPI. Ms S says Lloyds didn't tell her the policy was optional.

I don't know exactly what was discussed with Ms S when she bought the policy, as I've not seen any notes of that discussion. So I've thought about her comments alongside the information Lloyds has provided. I've also considered what I know about the way Lloyds sold these policies in general, to decide what's most likely to have happened.

As Lloyds doesn't have any of the paperwork Ms S would've completed at the time, it's sent me a sample of a credit card application from 1995. On it I can see there's a section for the PPI and a box had to be ticked to select the policy.

I've also thought about what I know about how Lloyds sold these types of policies between 1995 and 2000. Having done this, I think it's likely this is the type of application form Ms S would've signed. And I don't think it's likely Lloyds would've added the PPI without Ms S indicating she wanted it. So I think it's most likely – at the time - Ms S chose to buy the PPI knowing she didn't have to.

Ms S says Lloyds didn't recommend the policy to her. Lloyds says it's considered the sale as if it did recommend it. This would mean it should've taken reasonable steps to make sure the policy was right for Ms S. This is more than Lloyds would've had to do if it didn't recommend the policy to her. So to be fair to Ms S, I've also decided to assess the complaint on the basis Lloyds did recommend the policy to her.

And from what I've seen of Ms S's circumstances, I think it was suitable for her. I say this because:

- *Ms S was eligible for the policy.*
- *Ms S says she had six months full and six months half sick pay benefits from her employer. For any successful claim, the PPI would've paid 10% of the outstanding balance of Ms S's card for up to 12 months. The policy would've paid out in addition to any sick pay Ms S may have received if she was unable to work. So I think the policy could've been useful to her.*
- *Ms S also says she had enough savings that would've meant she could've paid her card repayments for some time. So I asked for some more information about those savings. But as I haven't received anything else, I can't say it's more likely than not that Ms S had enough other means to keep up her credit card repayments if she lost her job unexpectedly.*
- *The policy also covered Ms S for redundancy. Although Ms S has said the chance of her being made redundant was very low, I don't think the possibility of her losing her job could've been ruled out.*
- *I've thought carefully about Ms S's comments that her partner and family could've helped out if she couldn't make repayments. I don't doubt that they would've wanted to help but circumstances can change and I don't think Ms S's partner and family's help could've been guaranteed.*
- *Ms S also says she could've released equity from her property or sold her car if she needed to cover her repayments. But doing this take time and the funds wouldn't have been immediately available. And if Ms S wasn't earning her full income she might not have been able to re-mortgage either. Having the PPI would've reduced the chance of Ms S having to take such extreme measures.*
- *I've noted Ms S's comments about other policies she had, but these seem to be linked to her mortgage so I still think the PPI for her credit card could've been useful.*
- *It doesn't look like there was anything else about Ms S's circumstances that would've made it difficult for her to claim. For example, she's told us she didn't have any existing health concerns.*
- *Nothing Ms S has told me suggests she couldn't afford the monthly payments.*

Ms S says Lloyds didn't explain any information about the policy to her. It's possible that the information Lloyds gave her didn't point out the main things the policy didn't cover. But – as I've mentioned above – Ms S doesn't appear to be affected by any of those things. So I don't think better information would've stopped her buying it.

Taking everything into account, I don't think Ms S has lost out from anything Lloyds might've done wrong.

I asked everyone to send me any further comments or information before I reached my final decision. Both parties confirmed they'd received my provisional decision, and neither had anything to add.

my findings

I've reconsidered 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 Ms S's case.

As neither Ms S nor Lloyds gave me anything else they wanted me to think about, I've reached the same conclusion as my provisional decision, for the same reasons. I think Lloyds most likely gave her the option to buy the PPI and the policy was right for her.

my final decision

For the reasons set out above, I don't uphold Ms S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 27 November 2017.

Claire Marchant-Williams
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