

## **complaint**

Mr and Mrs J say Lloyds Bank PLC, trading as TSB ('Lloyds') mis-sold them a mortgage payment protection insurance ('MPPI') policy called 'MortgageSure'.

## **background**

Mr and Mrs J took out an MPPI policy with a mortgage during a meeting at a branch in 1994. They paid a monthly amount for the policy.

The policy cost around £63 per month. And if Mr J was too unwell to work or made redundant, the policy would've paid out £600 per month for up to 12 months per claim. Or, for Mrs J, it would've paid out £400 per month.

Our adjudicator didn't think the complaint should be upheld. Mr and Mrs J 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 Mr and Mrs J's case.

Having done so, I've decided not to uphold Mr and Mrs J's complaint and I'll explain why.

Lloyds had to let Mr and Mrs J know the policy was optional and it had to get their consent before it added MPPI to their mortgage. Lloyds says it did this. But Mr and Mrs J say they weren't aware MPPI was added to their account.

Mr and Mrs J also say Lloyds didn't make it clear the policy was optional and that they thought they had to have MPPI in order to get their mortgage. I don't think it's possible for Mr and Mrs J to not have known they had MPPI if they also thought they had to have to it. It's possible Mr and Mrs J don't remember exactly what was said, which wouldn't be surprising given the amount of time that's passed since the policy was taken. So I have to bear this in mind when considering what they've said.

Lloyds has provided a copy of Mr and Mrs J's mortgage application and mortgage offer. The application form has a separate section about MPPI and while it's not possible to read everything on it, I can see that it asked "*Do you require cover against accident, sickness and involuntary unemployment?*" After this there are two boxes and the box on the left has been ticked. Although I can't see the wording above each box, I think it's likely this was the box to tick for 'yes'. I say this because the boxes beneath this are similar and I can see that 'yes' boxes were on the left and 'no' boxes were on the right. So I think Mr and Mrs J would've been aware the policy was optional when they signed their mortgage application.

The section about MPPI asked Mr and Mrs J to answer some questions about their circumstances which have been completed. I also note that they had different levels of cover – which to me, shows that a discussion took place and Mr and Mrs J both chose the level of cover they thought was right for them. So I think Mr and Mrs J were aware they had a choice and that they chose to take MPPI.

Mr and Mrs J have also said they were put under pressure to take the policy, but they haven't gone into any great detail about why. And given what I've said above about there being some inconsistencies in their recollections of what was said – I don't think I've seen enough to say they were put under pressure to take the policy.

Lloyds recommended the policy to Mr and Mrs J, so it had to check it was suitable for them. And based on what I know about their circumstances at the time – I think it was. I'll explain why.

- From the information I've seen, Mr and Mrs J were eligible for the policy.
- Mr and Mrs J don't appear to have been affected by any of the things that might've made it harder for them to claim on the policy, such as having a pre-existing medical condition or unusual employment circumstances.
- Mr and Mrs J both worked for the same employer and say they would've received some sick pay if they were too unwell to work or redundancy cover if they lost their jobs. But they didn't have any other way of meeting their monthly repayments. The mortgage was a big and significant, long term commitment and the effects of not keeping up the repayments could've been serious. The policy would've paid out in addition to any sick pay Mr and Mrs J received and potentially for longer, so I think it could've been useful to them.
- I haven't seen anything to suggest the policy was unaffordable for Mr and Mrs J.

Lloyds also had to give Mr and Mrs J enough information about the policy so they could decide whether it was right for them.

I can't know exactly what was said to Mr and Mrs J during the face-to-face meeting, so it's possible Lloyds didn't give them all of the information they needed about the cost and terms of the policy. But the monthly premium (excluding tax) was set out on the mortgage offer I've seen, so I think they would've known roughly how much they would have to pay for it. And for the same reasons as I think the policy was suitable for them, I don't think better information would've changed their decision to take the policy.

So I don't think Mr and Mrs J have lost out because of anything Lloyds might've done wrong.

### **my final decision**

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

Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs J to accept or reject my decision before 11 September 2017.

Hanna Johnson  
**ombudsman**