

complaint

Mr B says Lloyds Bank PLC trading as Lloyds TSB ("Lloyds") mis-sold him a payment protection insurance (PPI) policy.

background

Mr B bought the policy when he took out a loan in 2001 during a meeting. The loan included an amount to pay for the policy.

Our adjudicator didn't uphold the complaint. Mr B 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 B's case.

I've decided not to uphold Mr B's complaint. I'll explain why:

- Mr B says he wasn't aware the PPI was optional and didn't know it was added to his loan. The meeting took place nearly 16 years ago and I don't know what was said when Mr B took the policy.

Lloyds has provided the loan agreement completed at the time. This has two options for PPI – 'YES' and 'NO'. The 'YES' box has been selected. I think it's likely this was done following a conversation about PPI during the meeting. Mr B has signed the agreement.

I've thought carefully about what Mr B told us. But, taking everything into account, I think it's more likely than not that Mr B chose to take the PPI to protect his loan – when he knew he didn't have to.

- Lloyds recommended the PPI to Mr B – and it seems to have been right for him based on what I've seen of his circumstances at the time. I say this as the policy could've paid out for a longer time than Mr B's sick pay. And, it could've provided cover if he lost his job.
- I think Lloyds could've explained the cost of the policy better than it did. I say this as it didn't explain the interest charged on the policy. But, the missing cost was a little over £5. So, even if it had explained this, I think Mr B would still have bought it.
- Given how long the policy could've paid out for, if Mr B made a successful claim he could've got back quite a bit more than he paid for it.
- Mr B would've got back only a limited refund of the PPI premium if he cancelled the policy early. I don't know if Lloyds thought about this when it recommended the policy, or if it explained the situation clearly to Mr B. But I haven't seen anything to suggest he thought he'd repay the loan early. So I don't think this meant the policy wasn't right for him – or that better information about this would've stopped him buying it.

- It's possible Lloyds didn't point out the main things the policy didn't cover. But Mr B doesn't appear to have been affected by any of those things.

I've taken into account all of Mr B's comments, including what he's said about the size of the loan and that he believed he could've paid it off. But, he may not have always been in a position to do this. Insurance is used to provide cover when something unexpected happens. So this point doesn't change my conclusion.

my final decision

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

Under the rules of the Financial Ombudsman Service, I am required to ask Mr B to accept or reject my decision before 4 August 2017.

John Bower
ombudsman