

complaint

Mr G and Miss T say Lloyds Bank PLC mis-sold them a mortgage payment protection insurance (MPPI) policy.

background

This complaint is about a monthly premium MPPI policy taken out with a mortgage in 1993. The policy covered Mr G only.

Our adjudicator didn't uphold the complaint. Mr G and Miss T 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 is 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 G and Miss T's case.

I've decided not to uphold Mr G and Miss T's complaint because:

- I think Lloyds made them aware that the MPPI was optional and that they chose to take it out. I say this because Mr G and Miss T signed a mortgage application which included a ticked box to take out cover. If they didn't want cover, a different box could have been ticked. I can also see that Mr G and Miss T would have needed to complete a separate application for cover to be added to their mortgage. And I think this adds to the likelihood that they understood they were taking MPPI out.
- Lloyds recommended the MPPI to Mr G and Miss T, but it doesn't look as if it was unsuitable for them based on what I've seen of their circumstances at the time. They had limited ways to repay their mortgage if Mr G couldn't work. So I think they had a need for the cover provided by the MPPI.
- It's possible Lloyds could have explained the cost of the policy better than it did. But even if it had, I think Mr G and Miss T would've still bought it. And I haven't seen anything to suggest the policy was unaffordable for them when they took it out.
- Lloyds might not have pointed out the main things the policy didn't cover. But it's unlikely Mr G would have been affected by any of these. He's told us he was in good health and there's nothing about his employment situation that suggests it would have been difficult for him to make an unemployment claim.

my final decision

For the reasons set out above, I don't uphold Mr G and Miss T's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr G and Miss T to accept or reject my decision before 12 November 2015.

Kyley Vernon
ombudsman