

complaint

Mr F says Lloyds Bank plc mis-sold him a payment protection insurance (PPI) policy.

background

This complaint is about a credit card PPI policy. The bank can't confirm where or when the policy was taken out. It assumes it was in 1998 when the card started, although its records don't show PPI being charged on the account until 2000. The policy gave Mr F protection against accident, sickness and unemployment.

Our adjudicator didn't uphold the complaint. Mr F disagreed so the complaint was 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. Where the evidence is incomplete I've made my decision based on the balance of probabilities – so, on what I think is most likely given the available evidence and what we know about how Lloyds sold PPI at the time.

Our approach to complaints about the sale of PPI is on our website. I've followed it here.

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

- I've thought carefully about what Mr F said - that he was not aware of PPI when applying for a credit card. There isn't much information to go on in this case, because everything happened so long ago. And I don't think it's surprising or unreasonable Lloyds doesn't have Mr F's application form any more.

From what we know about how Lloyds sold PPI with credit cards between 1998 and 2000, I think it's likely Lloyds would've made Mr F aware he had a choice about PPI. The sample of the application form he's likely to have used shows he would have needed to tick a box to take out PPI.

I have taken into account Mr F's comments, but I also have to consider how long ago the sale was and how that might affect what he recalls. Overall, without stronger evidence showing the bank didn't make clear it was optional, I can't fairly conclude Lloyds sold the PPI to Mr F without giving him a choice, and him agreeing to take it.

- It's most likely Lloyds recommended the PPI to Mr F. This means Lloyds had to make sure it was right for him. I think it was suitable based on what I've seen of his circumstances at the time. Mr F was entitled to six months' full pay and six months' half pay if he was sick, but the PPI would have paid out for up to 12 months for all successful accident, sickness and unemployment claims. Mr F says he had savings worth at least three months' salary but the PPI would have allowed him to use these for other living expenses whilst not working, or to keep them intact for his future needs. Also, I don't know that these would always have been available to him. Mr F says he also had a life assurance policy but this offers a different kind of protection and wouldn't help with monthly credit card repayments in the same circumstances as PPI. So, overall, I think the PPI would've been useful to Mr F if he was sick or lost his job.

- It's possible the information Lloyds gave Mr F about the PPI wasn't as clear as it should've been. However, based on the policies Lloyds sold during this time, it seems he wouldn't have been affected by any of the exclusions or limitations. And, given what we know about the cost of Lloyds' PPI policies over these years, the policy would've been competitively priced and it was apparently affordable. Mr F was eligible for the policy given his circumstances at the time and the policy's terms and conditions. So I think it unlikely Mr F would've made a different decision if better information had been provided. On balance I think he would still have taken out the policy.

Mr F's representative says that Lloyds should refund all premiums from April 2002 as Mr F was no longer living in the UK after this date. But I disagree. The policy document that's most likely relevant to this sale doesn't list UK residency as one of its eligibility criteria. It states you must be a personal TSB credit card account holder, aged between 18 and 65 and gainfully employed for 16 or more hours a week. So I don't know if this change of circumstances meant he would no longer be covered. But even without reaching a certain conclusion on this, I've seen no evidence that he requested the cancellation of his PPI policy, and it didn't happen. Or that he asked Lloyds whether his changed situation might affect it, and was given an incorrect response. And in my view Lloyds didn't have an ongoing obligation to check the policy remained suitable for Mr F. He had to decide this for himself. Mr F could have cancelled the PPI at any stage had he no longer wanted it.

It follows I don't think Mr F has lost out because of any problems with this sale.

my final decision

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

Under the rules of the Financial Ombudsman Service, I am required to ask Mr F to accept or reject my decision before 8 May 2019.

Rebecca Connelley
ombudsman