

complaint

Mr O complains that Lloyds Bank Plc ('Lloyds' trading at the time of sale as TSB) mis-sold him a mortgage payment protection insurance ("MPPI") policy.

background

Mr O bought a regular premium MPPI policy in November 1994 alongside a mortgage in a meeting in one of Lloyds' branches. The mortgage and policy ended in October 2004.

Mr O says Lloyds mis-sold the MPPI policy to him. He says the policy was sold to him as compulsory. He says his employer would continue to pay his wages and he had savings so the policy was not suitable for him.

Our adjudicator didn't uphold Mr O's complaint. As Mr O doesn't agree with the adjudicator's opinion, 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 O's case.

I've looked at all of the information provided by both parties and decided not to uphold Mr O's complaint because of the following reasons:

- Lloyds has been unable to provide much of the sales documentation that was used at the time of sale. There is little information available and so I can't be sure how the policy was presented by Lloyds to Mr O and I've not been able to see most of the original sales documentation. So it's been difficult for me to consider whether Mr O was given a choice or not as to whether he should have the MPPI policy (or whether it was put across as a compulsory requirement and something Mr O had to have).
- But I'm not aware of any known issues with the way Lloyds sold these policies around the date of sale. And due to the amount of years that have passed since the sale, I have not been able to obtain a detailed recollection of the sale either. So with this in mind, I cannot fairly conclude on this occasion that the policy was added without Mr O's consent. I just haven't seen enough to make that conclusion.
- Moving on, Lloyds has said it recommended the MPPI to Mr O and so, as this puts additional responsibilities on the business, I will proceed that this was the case. So as it did recommend the policy to Mr O, it had to ensure during the sale that the policy was suitable for his needs.

- After reviewing the very limited information, it doesn't look as if the MPPI policy was unsuitable for Mr O based on what I've seen of his circumstances at the time. Mr O says he would have received his salary for a reasonable period of time and he had savings. He also says he wouldn't have been able to make a claim for benefit whilst he was receiving his salary. But I can see the policy would also have paid in addition to any provisions he would have had. So the benefit would have been of use to Mr O during a difficult time as he could have used his provisions to pay for other expenses. I think, on balance, Mr O had a need for this cover for any extended period of unemployment or sickness. I also couldn't find any other reason such as a significant or limiting term that would make the policy unsuitable for him.
- Lloyds has provided some information about the costs relating to the MPPI policy that Mr O took out but even though it has provided information detailing the cover and how much it cost, I cannot be sure that these costs were disclosed to Mr O in a clear and fair way at the time of sale. That said, even if they were disclosed clearly I don't think Mr O would have done anything different and decided against having the policy for the reasons that I have already given for the policy being suitable.
- Its possible Lloyds didn't point out the main things the policy didn't cover. But its unlikely Mr O would've been affected by any of these.

I understand this will come as a disappointment but in conclusion I do not uphold Mr O's complaint.

my final decision

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

Under the rules of the Financial Ombudsman Service, I am required to ask Mr O to accept or reject my decision before 14 May 2018.

Mark Richardson
ombudsman