

complaint

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

background

I've attached my provisional decision from April 2016, which forms part of this final decision.

In my provisional decision I set out why I didn't plan to uphold the complaint. I asked both Mr B and Lloyds Bank to let me have anything else they wanted me to consider by 16 May 2016.

Neither Mr B nor Lloyds Bank have asked me to consider anything else.

my findings

I've looked again at all of 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.

As Mr B and Lloyds Bank haven't given me anything else to consider, I don't see any reason to change what I said in my provisional decision. So I still don't think Mr B's complaint should be upheld for reasons I gave.

my final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 20 June 2016.

Morgan Rees
ombudsman

copy of provisional decision

complaint

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

background

Mr B bought the policy in 2000 at the same time as taking out a loan. 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 provisional findings

I've considered all of 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'm not currently planning to uphold Mr B's complaint. I'll explain why.

Mr B says that he felt pressured into taking out the PPI policy. Lloyds Bank disagrees.

The difficulty I have in this case is that I don't *know* what was said to Mr B at the time. But, having thought about everything everyone has said, I don't think there's enough to say Lloyds Bank pressured him into taking the policy.

Pressure is something that's often prone to personal interpretation. So I accept it's possible that Lloyds Bank made Mr B feel like he had to take the policy. But it's also possible he was simply encouraged to reflect on whether he was able to make his repayments if something went wrong.

And while I'm sure Mr B has given us his honest recollection of the sale, I don't think I can fairly say he was pressured into buying the policy all that time ago based on that recollection alone.

I also don't think there's enough to say Lloyds Bank didn't make it clear to Mr B that he was buying a policy – and that it was optional.

Given how long ago he bought the policy, there isn't any paperwork from the time. We have been given a sample of the loan agreement that Lloyds Bank says Mr B would've seen at the time. And based on what I know about Lloyds Bank's sales process, I have no reason to think it isn't.

This means Mr B's loan agreement probably set out the costs of the PPI separately to those of the loan – and described it as optional. It probably also had separate "Yes" and "No" boxes for PPI.

So taking all of this and everything everyone has said into account, I think it's more likely Mr B chose to take the policy. And as I haven't seen anything to suggest he *had* to make that decision, I think it's more likely he did so freely.

Lloyds Bank says it recommended the PPI to Mr B – which meant it had to make sure it was right for him. And looking at his circumstances at the time, it doesn't look like the policy was unsuitable for him.

I think Lloyds Bank probably could've explained the cost of the policy better than it did as it doesn't look like it set out the interest payable on the premium or the total cost. But even if it had, I think Mr B would've still bought the policy given what little the missing information probably amounted to - and

the fact that he could've got back quite a bit more than what he paid for the policy had he made a successful claim.

It looks like Mr B would've received a limited refund of the PPI premium if he cancelled the policy early. I don't know if Lloyds Bank thought about this when it recommended the policy to him or explained that aspect. But I've seen nothing to suggest he thought he would repay the loan early. So I don't think this made the policy unsuitable – or that better information about this would've stopped him buying it.

It's also possible Lloyds Bank didn't point out the main things the policy didn't cover. But given Mr B's circumstances, it's unlikely he would've been affected by any of these.

my provisional decision

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

Mr B and Lloyds Bank PLC have until 16 May 2016 to send me anything else they'd like me to look at before I reach a final decision.

Morgan Rees
ombudsman