

complaint

Mr and Mrs F say Lloyds Bank plc (trading as TSB) mis-sold them a mortgage payment protection insurance (MPPI) policy.

background

Mr and Mrs F took out an MPPI policy with a mortgage in 1996. They paid a monthly amount for the policy.

Our adjudicator didn't uphold the complaint. Mr and Mrs F 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 and Mrs F's case.

I've decided not to uphold Mr and Mrs F's complaint.

Mr and Mrs F say they didn't know the policy was optional. Lloyds have provided us with a copy of the mortgage application, which they say presented Mr and Mrs F with a choice to take out the policy. The quality of the application form is poor, and Lloyds are not able to provide a clearer copy. But this isn't surprising given that the policy was taken out over 20 years ago. So I have to consider what I think is most likely.

Looking at the application form provided, I can see there is a section titled '*Applying for TSB MortgageSure*', which is the MPPI policy. This section features two boxes, and one of them has been ticked. While I can't make out what the wording says, I've seen a number of similar application forms from around that time. And using this and my general experience of PPI I think it's likely that the two boxes would've been a 'Yes' and a 'No' option. In any event, as there are two options to choose from, I think it's most likely that Mr and Mrs F would've known they had a choice.

The mortgage offer given to Mr and Mrs F also shows that *MortgageSure cover* has been selected, to provide 100% of cover to Mr F. So I don't think it's likely Mr and Mrs F ticked the 'No' option on the application form, as I think they would've questioned the PPI on the mortgage offer if that were the case.

Lloyds recommended the MPPI to Mr and Mrs F, and it seems to have been right for them based on what I've seen of their circumstances at the time. I note that Mr F has discussed having back pain with Lloyds, although he has since told us he didn't have any pre-existing medical conditions at the time. After asking for further information from Mr F about this, he said he doesn't remember if he would've been experiencing back pain at the time he took out the policy, or if he ever went to see a doctor about it. So although back pain and pre-existing conditions were excluded under the policy, I haven't seen enough to suggest that Mr F might've thought he'd need to claim on the PPI for such conditions. So I've no reason to think that the MPPI wasn't a suitable recommendation.

I think Lloyds could've explained the cost of the policy better than it did, as I can't see this was set out when they chose to take it. But even if it had, I think Mr and Mrs F would still have bought it. The policy would've paid out in addition to any other benefits Mr and Mrs F had, and for longer.

It's possible Lloyds didn't point out the main things the policy didn't cover. But while Mr F may have been affected by some of these, such as the exclusion on backache, I haven't seen enough to suggest that any of the policy exclusions would've affected Mr and Mrs F's decision to take it out, had they been made clearer.

I've taken into account Mr and Mrs F's comments, including what they said about Mrs F working fewer than 16 hours per week. But as the policy only covered Mr F, this point doesn't change my conclusion.

my final decision

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

Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs F to accept or reject my decision before 1 May 2017.

Jack Ferris
ombudsman