

complaint

Miss L complains that Lloyds Bank PLC (“Lloyds”) mis-sold her a payment protection insurance (“PPI”) policy with a credit card in 1998.

background

Our adjudicator told Miss L why he did not think that the policy had been mis-sold to her. She did not agree with this view and so the complaint it has come to me to make a final decision.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. We have set out our general approach to complaints about the sale of payment protection insurance on our website and I have taken this into account in deciding Miss L’s case

Having considered this case with care, I have decided that the complaint should not be upheld. I have explained my reasons below.

I understand that the policy was sold to Miss L during a meeting. Lloyds has told us that it recommended the policy to her. This means it had a duty to recommend a policy that was suitable for Miss L’s particular situation.

Lloyds has provided a copy of the credit card application that was completed at the time of the sale. I can see that there was a section headed “*Optional Features*”. This offered a range of products, each with a tick-box to select them. The second paragraph down was headed “*Payment Protection Plan*”. The box next to it had been ticked.

I can see that another product had also been selected, while four had not, so I think that Miss L made an active choice to buy the PPI alongside her credit card.

I can see Miss L had then signed the form, which suggests that she was aware of its contents.

From the information that Miss L has given us, I think that she was in good health and was eligible for the policy at the time she chose to buy it. I have seen nothing that makes me think that she would have been disadvantaged by any of the limitations or conditions of the policy, such as for pre-existing medical conditions. So I don’t think that Miss L was poorly advised when the policy was recommended to her, because I think that she would have been able to make a successful claim on it if she had needed to.

Lloyds has told us that the cost of the policy was between 59 and 79p per £100 of outstanding credit card balance per month. I understand that it would have paid off 5% of the credit card balance each month for up to 11 months and would have paid off the balance in full in month 12. Miss L has told us that she had fairly limited alternative means of paying off her credit card if she was off work sick or was made unemployed. While I do not know how the cost and benefit of the policy was explained to Miss L, I think she was probably content with the cost. I say this because I can see that the cost of the PPI was shown separately on her credit card statements each month, and I have not seen any suggestion that she questioned that.

So, having looked at this case with care, I think that the policy recommended to Miss L by Lloyds was suitable for her situation. I think she made an active choice to buy it, and I think it offered her the security of knowing that she could keep up her credit card repayments if she could not work.

It follows that I do not think the policy was mis-sold to Miss L and I do not uphold this complaint.

my final decision

For the reasons given above, I do not uphold this complaint. I make no award against Lloyds Bank PLC.

Under the rules of the Financial Ombudsman Service, I am required to ask Miss L to accept or reject my decision before 10 July 2015.

Roxy Boyce
ombudsman