

The complaint

Mr W is unhappy that Lloyd's Bank Plc mis-sold him a long-term care insurance plan ('the care plan').

What happened

Lloyds sold Mr W the care plan in 2004.

Mr W says the care plan was mis-sold to him as he was told it would pay the bulk of his fees if he had to go into a care home. Given the care plan's maximum benefit, he doesn't think that's likely to be the case now.

He complained to Lloyds who didn't uphold his complaint.

Unhappy, Mr W contacted the Financial Ombudsman Service. Our investigator looked into what happened and didn't think Lloyds had mis-sold the care plan.

Mr W disagreed. So, his complaint has been passed to me to consider afresh and decide.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Lloyds accept that the care plan was recommended to Mr W. So, it had a regulatory obligation to ensure it was suitable for his needs and that he was given clear, fair and not misleading information about the main features of the care plan.

Having looked at the care plan documents – including policy provisions - I'm not persuaded that it was unsuitable for Mr W's needs. I'm satisfied that the care plan could've been beneficial for him if he required care because subject to the remaining terms of the care plan, it would've covered certain costs up to the maximum benefit each year.

I've seen nothing to suggest that the monthly premium at the time the care plan was taken out in 2004 was unaffordable to Mr W, or that other features such as the waiting period, maximum benefit or care option selected (comprehensive cover) made it unsuitable for him.

Mr W says that he was told verbally at the time that the care plan would cover the bulk of any care home fees. It's entirely possible Mr W was told that and this is what persuaded him to take it out. However, I've considered what is most likely to have happened on a balance of probabilities.

I'm conscious that the sale took place a long time ago – almost 20 years ago – and memories tend to fade over time. I've also seen the documents from the time and there's nothing to suggest in the literature I've seen that the bulk of care home costs will be paid.

There is a revised (one page) illustration signed by Mr W from the time which says: "I accept the above terms and would like the policy to commence immediately". The illustration clearly says the maximum income benefit was £8,460 at the time, so I think Mr W reasonably ought to have known that this was the maximum he was able to claim. And on the balance of probabilities, I don't think Mr W was given misleading information about this when taking out the care plan.

I don't know if he was told about all the other key features of the care plan at the meeting during which it was sold. However, from the documents he was given, I'm satisfied he was aware of the benefit type, waiting period and premium. And looking at the other key features of the care plan, I don't think there's anything else which is likely to have put him off taking out the care plan, if he hadn't been told about them.

I know Mr W will be very disappointed but for the reasons set out above, I don't think the care plan was mis-sold to him.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 15 February 2024.

David Curtis-Johnson
Ombudsman