

complaint

Mr C says that Fowlers of Bristol Limited ('Fowlers') mis-sold him a payment protection insurance ('PPI') policy. Mr C said he was told he had to take out the PPI so that he could get 0% interest on his borrowing.

background

In August 2005 Mr C arranged a loan so that he could buy a motorcycle. At the same time Fowlers sold him a single premium PPI policy which was added to his borrowing.

I issued a provisional decision to Mr C and Fowlers explaining why I was minded to not uphold Mr C's complaint. I've copied my provisional findings below.

provisional 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 C's case.

I've decided that Mr C's complaint should not be upheld. And I've set out my reasons for thinking this below.

Mr C says he was told he had to tick a box on the form so that he could have 0% interest on his borrowing. The adviser who sold Mr C the policy and arranged the loan has told us that he didn't say this to Mr C when he made the arrangements.

I don't know what was said at the time of the sale. And it's difficult for me to know exactly what happened. But on balance, I think Mr C knew he was taking out the PPI and that he had a choice in doing so.

The credit agreement Mr C signed included a section for PPI. A tick needed to be placed against the statement, 'I wish to purchase the following insurance(s) (tick relevant box(es))'. A tick was placed in the box against the wording 'Payment Protection'. And Mr C also signed this section to confirm that he understood he was taking out the product.

Although Mr C's agreement did have 0% interest, I've not seen anywhere on the credit agreement that a tick had to be placed in a box to get the 0% interest rate as Mr C suggests. And it's difficult for me to say that Mr C didn't know the tick in question was for anything else except PPI.

As I've said, I don't know what happened or what was said. Mr C has told us he had to take out the PPI, but I've not seen anything to make me think that was the case. So on balance, I don't uphold Mr C's complaint on this point.

Fowlers recommended the policy to Mr C, so it had to make sure the PPI was suitable for him. It also had to provide him with enough clear information so he could decide if he wanted the policy. Where Fowlers didn't do what it needed to do when it sold the policy to Mr C, I then have to think about whether Mr C would have done something differently if he had been properly advised and informed.

I don't think the policy was unsuitable for Mr C when he took it out in 2005. Mr C was solely responsible for meeting his repayments. He was eligible for the PPI and he wasn't affected by any of the exclusions or limitations under the policy. Mr C told us he would have relied on parents and family to help him repay the loan if he couldn't work. And told us he had no sick pay through his employer. The policy would've paid in addition to any sick pay Mr C may have had, and it meant he didn't need to rely on anyone who may or may not have been in a position to help him financially when he needed it.

The policy would have paid out for up to 12 months per unemployment claim. And I understand that he could make more than one unemployment claim if he went back to work for six months. The policy would also pay out for up to 36 months per disability (accident and sickness) claim. And it would pay a total benefit of 36 months over the term of the loan. I think the cost of the policy, in relation to the benefits available, was reasonable and it appears to have been affordable. I don't think this made the policy unsuitable for Mr C who, as I've already noted, didn't have any other means available to him.

If the policy was cancelled before the end of the term I can see that Mr C wouldn't necessarily have got back as much of his premium as he might have expected. For example, if Mr C had cancelled his policy half way through the term, he would not have received half of his premium back in return. Instead, he would have received less than this.

I can't be sure that Fowlers considered this or explained it clearly to Mr C. But I've seen nothing to suggest that he thought it might be possible he would repay the loan early. So I don't think that feature of the policy made it unsuitable for Mr C at that time.

As I don't know exactly what happened in 2005, it's possible the information Fowlers gave Mr C about the PPI wasn't as clear as it should have been. But as I've explained, I don't think the policy was unsuitable for Mr C's circumstances at the time. And I think it's unlikely Mr C would have made a different decision if better information had been provided. On balance, I think he would still have taken out the policy.

responses to my provisional decision

Fowlers didn't reply to my provisional decision and so didn't provide me with any further evidence or submissions to consider.

Mr C replied to my provisional decision to say that he disagreed with my findings. Mr C told us:

- People couldn't be expected to read everything they are asked to sign.
- He had dyslexia and this hadn't been taken into account.
- He didn't think his position had been fairly considered given the sales person was someone in power.
- The dealer's intention was always for him to take out PPI.
- When he went to Fowlers to collect the motorbike, all he had to do was confirm his monthly payments (that he was initially given over the phone) and sign the documents.
- The sales person gave him a copy of the loan agreement that was barely legible. And this is evidenced by the sales person writing the loan agreement number in the corner of the paper.
- He wasn't concerned that the document wasn't legible because he had the invoice for the motorbike which said the finance due was £7,000 so he didn't query this.

my findings

I've reconsidered all the available evidence and arguments, including Mr C's most recent submissions to us, 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 C's case.

And having done so, I've not seen enough to make me think I should change my initial findings about Mr C's complaint. That is, I still think Mr C's complaint should not be upheld.

I've considered Mr C's additional submissions about the sales person. As I said in my provisional findings, I don't know exactly what happened or what may have been said to Mr C at the time. This is because there is limited evidence available from the time of the sale. And while I accept it's possible things happened as Mr C has told us, I also have to accept things may have happened as Fowlers have said. Where it's not clear what took place, I have to decide what I think most likely happened.

On balance I think Mr C knew he was taking out PPI at the time. There's nothing on the agreement to suggest the PPI was a condition of the finance. And as I previously noted in my provisional decision, the tick on the agreement had no mention of it being for 0% interest. The tick, in a separate section of the agreement, is set out against the wording, "*Payment Protection*" to select the cover.

I've taken into account what Mr C said about relying on the invoice which set out the amount of the credit being £7,000. Looking at the copies of the loan agreement that have been provided to us, I agree that some of them could be clearer. But this isn't enough to make me think that Mr C was unaware of the amount of credit he was taking out. The agreement sets out the amount of credit in the box marked "*Key Financial Information*". And I don't think the amount of credit shown could be mistaken for £7,000. Mr C signed the loan agreement in three separate sections (including the direct debit). So I'm satisfied he saw this document and I think it's most likely that he would have checked the amount he was borrowing on the agreement as it was a significant amount of money.

I know this won't be the outcome Mr C was hoping for and I've carefully considered what he's said about his condition. But for the reasons above, I've not seen enough to make me think that Mr C was unaware of the PPI he was taking out. For the reasons set out above, I think the policy was suitable for Mr C's circumstances at the time and I think he still would have gone ahead with the PPI if he'd been properly advised and informed about it.

my final decision

My final decision is that Mr C's complaint is not upheld. I make no award against Fowlers of Bristol Limited.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr C to accept or reject my decision before 26 May 2015.

Kristina Mathews

ombudsman