

## **complaint**

This complaint is about a single premium payment protection insurance (“PPI”) policy sold in conjunction with a loan agreement, taken out in 2005. Mr F says that Bridge Motorcycles Limited mis-sold the policy.

## **background**

The facts surrounding this complaint were set out in detail in the adjudicator’s assessment letter. As these are not disputed by either party I do not propose to repeat them here.

Briefly:

The adjudicator did not uphold the complaint. The adjudicator concluded that the policy was not unsuitable and was not mis-sold.

Mr F disagreed. He said he disputes that any details about PPI were provided and was just asked to sign where indicated. He also said no Demands and Needs questionnaire was completed. Mr F asked for the matter to be passed to an ombudsman.

It therefore falls to me to reach a decision on the matter.

## **my findings**

In deciding what is fair and reasonable in the individual circumstances of this case, I have considered the issues in accordance with our general approach to considering complaints about the mis-sale of PPI, which is well-documented.

This includes taking into account the law and good industry practice at the time the policy was sold, and any regulatory rules and guidance relevant to the complaint. In essence, the questions I need to consider are:

- whether Bridge Motorcycles gave Mr F information that was clear, fair and not misleading in order to put him in a position where he could make an informed choice about the insurance he was buying; and
- whether, in giving any advice or recommendation, Bridge Motorcycles took adequate steps to ensure that the product it recommended was suitable for his needs.

If there were shortcomings in the way in which Bridge Motorcycles sold the policy, I then need to consider whether Mr F is worse off as a result; that is, would Mr F have done something different - i.e. not taken out the policy - had there been no shortcomings and had things happened as they should have.

Firstly I am satisfied that Bridge Motorcycles did recommend Mr F take out PPI. And so it needed to take reasonable steps to ensure the policy was suitable for him. I have borne this in mind when considering this complaint.

*was it made clear PPI was optional?*

Bridge Motorcycles has provided a copy of the credit agreement presented to Mr F at the time of the sale. From this I can see that in the cost section PPI is referred to as *optional*.

I accept the font is not large. But in addition to this Mr F ticked a box to indicate he wanted to take out the cover and signed separately from the loan agreement itself to confirm his choice.

So while Mr F says he was just asked to sign where indicated, in light of the above, I cannot safely conclude that Bridge Motorcycles did not make it clear to him that PPI was optional.

*did things happen as they should have and was PPI suitable for Mr F?*

Firstly I am satisfied that the cost of PPI was disclosed to Mr F. I can see that the PPI premium, the interest to be charged on it and the total cost over the full term of the loan were set out in the credit agreement. Although all three figures were not in the same place on the agreement, I think Bridge Motorcycles did enough here to allow Mr F to understand how much the policy cost.

I accept however it is possible that there were shortcomings in the way the policy was sold to Mr F. I cannot be sure for example that a demands and needs assessment was carried out or that he was properly advised and informed about the cover. So things may not have happened as they should have.

However I do not think that Mr F is worse off as a result. And I say this for the following reasons:

- Mr F was eligible for the cover, employed and in good health at the time of the sale. So it seems he would not have been caught by any of the significant limitations or exclusions of the cover, such as those relating to pre-existing medical conditions.

I note Mr F says he became self-employed later on (the policy did not provide unemployment cover for the self-employed.) But I have not seen enough evidence to persuade me that this was his intention at the time of the sale or that Bridge Motorcycles were reasonably aware/made aware of this at the time. So I think the policy was suitable for Mr F at the time.

- Mr F had a need for the cover. I am not persuaded he had sufficient existing means - significant savings or other policies for example - to fall back on in the event of him being off work ill for an extended period of time or if he was made redundant, that would suggest the policy was unsuitable for him.
- I note the policy did not provide a proportionate refund of the policy's cost if it was cancelled early because of say early repayment of the loan. And I accept Bridge Motorcycles may not have considered this or told Mr F about it when making its recommendation to him.

However there is nothing that leads me to believe Mr F needed flexibility of arrangements and intended to repay the loan early at the time of the sale. So I cannot say the policy was unsuitable for him because of the restrictive cancellation terms.

- The cost of the policy appears to have been manageable for Mr F at the time. And so I cannot say it was unsuitable for him because of its cost.

*conclusion*

Having carefully considered all of the evidence presented, while I accept Mr F may not have been properly advised and informed about PPI, I cannot conclude the policy was unsuitable for him based on his circumstances at the time of the sale.

Because of this I am not persuaded it is more likely than not that Mr F would have taken a different decision about PPI and not taken it out had things happened as they should have and had he been properly advised and informed. I therefore cannot say he is worse off as a result of any possible failing by Bridge Motorcycles when selling him PPI.

I do not, therefore, uphold this complaint or make any award against Bridge Motorcycles.

**my final decision**

For the reasons set out above I am not persuaded that Mr F has lost out as a result of any possible shortcomings on the part of Bridge Motorcycles Limited when selling the PPI policy. It follows that I do not uphold Mr F's complaint or make any award against Bridge Motorcycles Limited.

Paul Featherstone  
**ombudsman**