

## **complaint**

Mr C complains that Highway Motorcycles mis-sold him a payment protection insurance ("PPI") policy in connection with the sale of a motorbike in 2006.

## **background**

Our adjudicator reviewed this case and decided that Highway Motorcycles had not mis-sold the policy to Mr C. Mr C does not agree with this view, and has requested the case be reviewed by an ombudsman.

## **my findings**

I have considered afresh all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Our general approach to considering complaints about the sale of PPI is well-documented and I have considered the issues in accordance with this general approach. This includes taking into account the law, good industry practice and any regulatory rules and guidance relevant to this complaint at the time the policy was sold.

The key issues I need to consider in this complaint are:

- whether Highway Motorcycles gave Mr C information that was clear, fair, not misleading and sufficient to put him in a position to make an informed choice about whether to buy the PPI policy; and
- whether, in giving any advice or recommendation, Highway Motorcycles took adequate steps to ensure that the PPI policy was suitable for Mr C's needs.

If there were shortcomings in the way in which Highway Motorcycles sold the policy, I then need to consider whether Mr C is worse off as a result. That is, would Mr C be in a different position now if there had not been any shortcomings?

Mr C reports that there was very little discussion about the PPI, and that he was not made aware of how much the policy would cost. Mr C also reports that he had no real need of the policy because he could have called upon other resources to make his payments had he needed to.

Both parties have agreed that this was an advised sale. As such, Highway Motorcycles had a responsibility to take Mr C's personal circumstances into account and to recommend a policy that was suitable to his situation.

Because the sale took place in a meeting, I cannot be certain of what was said, so I can only make my decision on what I consider is *most likely* to have happened in the circumstances, based on the evidence provided to me by the two parties.

My first consideration must be whether Mr C was made aware that buying the policy was optional.

I cannot know how the policy was described to Mr C, but the credit agreement paperwork suggests that Mr C had a choice about buying the policy. A range of options were presented,

and there were statements about either accepting or rejecting the recommendation of accident, sickness and unemployment cover. While Mr C did not have to sign his acceptance of one or other of those statements, I am persuaded that he is likely to have read the form before signing it, and therefore was probably made aware that he had a choice about taking the policy recommended to him.

I note that the optional nature of the policy was also presented on the loan protection paperwork which Mr C signed.

While it is possible that the adviser said something that left Mr C confused about whether the PPI was an optional extra, I am satisfied that the optional nature of the PPI was set out in the point of sale documentation and that he signed his acceptance of buying the policy.

In considering whether the policy was suitable for Mr C, I cannot know whether or how the significant limitations and exclusions of the policy were presented to him in the meeting. However, I note that a fairly basic assessment of his situation had been completed on the credit agreement, which suggests that there was at least some discussion with Mr C about the suitability of the policy for his situation.

Having reviewed the information that he has provided to this service, it appears that, at the time he bought the cover, Mr C was in good health, in employment and fulfilled the conditions of eligibility for the policy. As far as I can tell, Mr C was not disadvantaged by any of the eligibility, health or employment restrictions of the policy. I am therefore satisfied that he was not likely to have made a different decision about buying the policy, even if any shortcomings in the way that Highway Motorcycles' representative described these elements to him had been rectified.

I have next considered whether the cost of the policy was fully disclosed to Mr C before he chose to buy it. While I cannot know what was said to him at the meeting, the available evidence suggests that the full cost of the policy was made known to Mr C.

I note that the loan agreement which Mr C signed did provide the cash cost of the policy, the interest charged and the full cost of the policy when both were added together. While I do not consider that the elements which made up the full cost were laid out particularly logically, with some costs in one place on the form and some in another, I am satisfied that they were all there for Mr C's consideration. As this was a legally binding credit agreement I am persuaded that Mr C would, in all probability, have reviewed the content of the form before signing it. I am therefore persuaded that Mr C was made aware of the full cost of the policy and that he considered it acceptable at the time that he agreed to buy it.

I note that the policy came with onerous terms in the event that Mr C had wished to cancel it early in that he would not have received a pro-rata refund of what he had paid. I cannot know whether Highway Motorcycles brought this to Mr C's attention during their discussions, but I note that this information was presented in general terms on the loan agreement. While I am not persuaded that the written presentation was especially clear, I am satisfied that Mr C chose to buy the policy, that it would have offered him valuable benefits in the event of a claim, and that he was made aware of the additional cost that it would add to his loan. The evidence that I have seen does not suggest that Mr C had either the means or the intention to repay the loan early. On balance, therefore, I am persuaded that he would still have chosen to go ahead with the insurance even if the non-pro-rata nature of the refunds had been drawn more clearly to his attention.

Clearly, I cannot rule out the possibility of shortcomings in the information provided by Highway Motorcycles during this sale. Nor can I be certain how much Mr C understood about the policy at the time he agreed to buy it. I appreciate that with the benefit of hindsight and experience, Mr C might not make the same decision today. However, I am satisfied that the policy was optional and that Mr C agreed to buy it at the time. On balance, I do not think that his decision to buy the policy would have been different if all the information had been provided to him in a more clear or balanced way.

In summary, I do not consider that the PPI policy was mis-sold to Mr C. I appreciate that this will come as a disappointment to him.

**my final decision**

For the reasons set out above, I do not uphold Mr C's complaint about the sale of the PPI. I make no award against Highway Motorcycles.

Roxy Boyce  
**ombudsman**