

complaint

Mr H complains about how Nationwide Building Society (“Nationwide”) dealt with mortgage payment protection insurance (“MPPI”) during his mortgage application in 2010.

background

Mr H had an MPPI policy on his mortgage with Nationwide in 2006. In 2010 he applied for a new mortgage. Sometime after this Mr H tried to claim on his MPPI. However, Nationwide informed him that he didn’t have a policy on his 2010 mortgage.

An adjudicator agreed with Nationwide and decided that the evidence suggested that Mr H didn’t want the MPPI in 2010.

Mr H disagrees, and has asked an ombudsman to provide a final decision in relation to his complaint.

my findings

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

I must base my decisions on a *balance of probabilities*. This is to say that something seems more likely than not. The law doesn’t require me to be certain, but to decide based upon an assessment of what the evidence leans towards.

I can see that in 2006 Mr H wanted MPPI. The application form records that he wanted a monthly benefit of £400 for accident, sickness and unemployment cover. This was for a benefit period of 24 months with a 60 day excess period. No additional benefit was selected. From this I can see that a detailed discussion would’ve taken place about Mr H’s insurance needs. Questions would’ve been asked about what cover he would like, how much would he like to select for a monthly benefit, and for how long would he want this to be paid out for. The process would’ve required a conversation and that the advisor would’ve had to record this.

I can see too that Mr H would’ve been issued a policy schedule and a certificate following this sale. The schedule makes it clear that the policy would’ve been cancelled when his mortgage ended. This didn’t require a signature from Mr H. The terms of the policy make it clear that this would’ve been an automatic cancellation. This makes sense as it would be wrong to carry on charging premiums if there was no mortgage to protect.

In 2010 Mr H applied for a new mortgage. I can see that the application form is very similar to his 2006 application form. This form requires input by way of answers from Mr H, so that the form can be completed. I can see that this time the form records:

“I have taken/will take protection from another provider”.

The amount of mortgage cover then selected is recorded as “£0”. I also haven’t seen an insurance certificate sent to Mr H following this meeting.

I’m persuaded that because the form records that Mr H has expressed he had took MPPI already, or would be taking it from elsewhere, that this is an accurate reflection of what he

wished. I say this because it is a contemporaneous document. And it also doesn't express that he didn't want it, rather that he had it already, or was shopping around. This is quite a specific response suggesting that the question was discussed.

I appreciate that Mr H tells me that the form doesn't require him to sign at this point of the form. However, it still requires a response to what Mr H required at the time and I don't see why an advisor would input this specific response if it wasn't the case at the time.

So, I'm persuaded that on balance Mr H hasn't selected the MPPI because of the response he gave to the advisor at the time which has been recorded. I can't ignore the fact either that he didn't receive a policy schedule which would've perhaps alerted him to the fact he didn't have it.

I don't uphold this case.

my final decision

I don't uphold this case and make no direction against Nationwide Building Society.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr H to accept or reject my decision before 9 July 2015.

Daniel Lucas
ombudsman