

## **complaint**

Mr M complains that he was mis-sold a payment protection insurance (PPI) policy, when he bought a motorbike.

The PPI was sold by Thunder Road Motor Cycles Limited (“Thunder”). The finance was provided by another company.

## **background**

I issued my provisional decision earlier in May 2016, a copy of which is attached and forms part of this final decision.

In my provisional decision I explained why I was minded to not uphold Mr M’s complaint. I invited all parties to let me have any further submissions before I reached my final decision.

Mr M has been sent the decision and has said he doesn’t have anything further to add. Thunder has received the decision and has said it’s “*really pleased with the decision*”.

## **my findings**

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

Having considered the respective positions of the parties I see no need to change the overall stance I took. So the complaint isn’t upheld.

## **my final decision**

For the reasons set out above and in my provisional decision, I do not uphold the complaint as set out in my provisional decision (attached) against Thunder Road Motor Cycles Limited.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr M to accept or reject my decision before 8 July 2016.

Rod Glyn-Thomas  
**ombudsman**

## **Copy of Provisional Decision**

### **complaint**

Mr M complains that he was mis-sold a payment protection insurance (PPI) policy, when he bought a motorbike.

The PPI was sold by Thunder Road Motor Cycles Limited ("Thunder"). The finance was provided by another company.

### **background**

Mr M bought a motorbike in May 2006 through a finance agreement. At the same time Thunder sold him a single premium PPI policy, to cover his repayments if he couldn't work because of accident or sickness, or if he lost his job. The PPI and the loan repayments covered the same time period.

Mr M complained to Thunder and it didn't uphold his complaint, so he complained to this service. Our adjudicator felt his complaint should be upheld. But Thunder doesn't agree, so it's come to me to decide.

### **my 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 M's case.

There is paperwork from the sale but Mr M and Thunder don't agree on what happened. So I have to decide what's most likely to have happened, based on the paperwork and what Mr M and Thunder have said.

My preliminary thinking is not to uphold his complaint. I'll explain why.

- I've considered this PPI policy's rules about eligibility for PPI and I think Mr M was eligible to have the policy when he bought it.
- There are details about the PPI on the agreement he signed. This document refers to the 'optional' PPI. To get the PPI he had to tick a box for it and sign in a box to get it. This box was separate from what he had to complete to get the finance. On balance I'm satisfied he chose to take the PPI knowing he didn't have to.
- Thunder recommend the PPI to Mr M, so it had to take adequate steps to ensure its recommendation of PPI was suitable for him. It also had to give Mr M clear and fair information about the cost and main features of the PPI policy, so he could take an informed decision about whether to have it.
- I can see on the agreement that he signed that the single premium cost, interest, and total cost of the PPI were all described. So all in all I think he knew how much the PPI cost when he chose to have it. I also think the benefits of the policy were given at least in summary. Having considered the benefits of this PPI I don't think he'd have chosen not to take the PPI if they'd been better explained.

- Mr M would've received a limited refund of the PPI premium if he cancelled the policy early. I don't know if Thunder thought about this when it recommended the policy or explained the situation clearly to Mr M. But I've seen nothing from the time to suggest Mr M thought he would repay the loan early at the time of taking it. So I don't think this issue made the policy unsuitable or better information about this would've stopped his buying it at that time.
- At adjudicator stage this complaint has been upheld on the basis that Mr M has said he had a back condition at the point of sale. He said "*I have had ongoing back problems for the last twenty five years. My back problems require me to be treated with prescription medication and also have time off work*". He also says that it's become progressively worse and that "*this has never been asked about when I have applied for finance*".
- In response to the views of the adjudicator Thunder have said that when asked whether Mr M had "*sought or received medical treatment for any condition over the last 12 months? If you have, this condition will not be covered by the insurance*" Mr M had circled the "no" option and signed that page of that document. Having seen the document it is clear to me that Mr M has been asked about his medical history over the previous twelve months and said he hadn't received any medical treatment. I can also see he'd been clearly told that if he had such a condition he wouldn't be covered by the insurance for it.
- Thunder has also pointed to the type of motorbike Mr M purchased. It has said the bike in question is "*the fastest production motorcycle in the world, capable of 300km/h (187mph)*". It has also sent in a picture of a rider riding this bike and noted the "*extreme riding position*" required to ride the bike.
- Thunder has also said that either Mr M didn't have the condition at the time or if he suffered from such a condition he "*had decided that, although he may not be able to use the policy to claim in the event of him missing work due to a bad back he could see good value in the policy which would cover him for any other sickness as well as life, accident and critical illness or injury for the five years of his finance agreement.*"
- There are two tests I have to apply here, firstly that had the business taken adequate steps to ensure the suitability of the recommendation it made. On balance I think it has done just enough here as it has asked about his medical conditions and warned him that such conditions aren't covered-and Mr M clearly said he didn't have such a condition and signed the document nearby.
- So the other question is did the business provide sufficient information for Mr M to make an informed decision. If it didn't, would it have made a difference? I'm not satisfied it did provide enough information about the medical exclusion at the time Mr M made the decision to take the PPI. But I don't think this would have made a difference. I say this because Mr M clearly said "no" to the question asked, knowing any condition he had wouldn't be covered by the insurance. Either he didn't have the condition at the time, or more likely in my view, he did have a back condition but it wasn't sufficiently bad for him, at that time, to envisage it likely that he'd need to claim on the PPI for it (and thus be prevented from doing so due to the exclusion). After all he's purchasing an expensive high performance motorcycle which requires an unusual body position to ride. A riding position which would require significant use of the back, which makes me think the medical condition Mr M had was either managed through medication or minimal (or both).
- I also note Mr M's comments about his employment at the time and it strikes me that such work required more physical activity than for example a desk based job. This also suggests to me that the back issue Mr M had was either managed through medication or minimal (or both).
- I also see that he says he's had the condition for decades and manages it through medication. So I don't think he'd think it likely at that time that it would need to make a claim for it. So I don't think such an information failing would have made a difference in this particular, and unique case.

- Mr M has talked about missing work due to his condition. So far he hasn't evidenced any period of not working prior to buying the PPI sufficiently long to be able to make a successful claim. I also note when asked to provide medical evidence of his condition he has not done so. I think it likely he did have a condition at the time, but not sufficiently bad for him to consider it likely that he'd need to claim on the PPI for it. After all when asked at the time about medical conditions he said "no", knowing he'd not be covered for any condition he did have. This piece of evidence is significant in my view.
- I've also carefully considered the terms of the PPI in use around the time by the insurance provider and I see that related conditions could also fall under the exclusion. There was the possibility of the exclusion falling away if the claimant was symptom free and not consulted a doctor or received treatment for a full 24 months before a claim being made. Having considered these terms carefully, as well as the other terms within this particular exclusion I think on balance that had Mr M been fully informed of them all he'd still have taken the policy.
- It is possible that Thunder didn't point out the other main things the policy didn't cover. But its unlikely Mr M would've been affected by any of these from what I can see of his circumstances from the time.

For the reasons given I currently think that he did choose to take this PPI policy and that any failings in information provided wouldn't have made a difference in the circumstances. In these particular circumstances I think on balance that Thunder took adequate steps to ensure the recommendation it made to be suitable for Mr M's circumstances. In short and all in all I don't think it would be fair or reasonable for me to uphold this complaint at the present time.

#### **my provisional decision**

For the above reasons, I am currently minded to not uphold this complaint. I now invite both parties to provide me with any further submissions they wish to have taken into account, after which I will issue my final decision.

Rod Glyn-Thomas  
**ombudsman**