

complaint

Mr M says Nationwide Building Society (“Nationwide”) mis-sold him a payment protection insurance (PPI) policy.

background

I attach my provisional decision of March 2015, which forms part of this final decision. In my provisional decision I set out why I didn’t intend to uphold Mr M’s complaint. I invited both parties to make any further comment before I reached a final decision. No new information or arguments were provided by Mr T or by Nationwide.

my findings

I have reconsidered all the available evidence and arguments to decide what is 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.

As neither party provided any new evidence or arguments for me to look at, I see no reason to change my conclusions set out in my provisional decision. So I do not uphold Mr M’s complaint.

my final decision

For the reasons set out above, I don’t uphold Mr M’s complaint.

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

Jennifer Wood
ombudsman

COPY OF PROVISIONAL DECISION

complaint

Mr M says Nationwide Building Society (“Nationwide”) mis-sold him a payment protection insurance (PPI) policy.

background

Mr M bought the PPI in 2004 at the same time as taking out a loan. The loan included an amount to pay for the policy.

Our adjudicator upheld the complaint. Nationwide disagreed with the adjudicator’s opinion so the complaint has been passed to me.

my provisional findings

I have considered all the available evidence and arguments to decide what is 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.

I’ve provisionally decided not to uphold Mr M’s complaint because:

- It looks like the policy was sold during a phone call. I don’t know what Mr M was told during the call. But Nationwide says PPI would’ve only been included on a credit agreement if the consumer confirmed he wanted it. And I’ve also seen that Mr M’s signed credit agreement shows an additional amount was being borrowed for “optional credit insurance”. So although Mr M doesn’t remember discussing the policy (which is understandable given the length of time that’s passed) I haven’t seen enough to say he wasn’t given a choice. So considering everything I think it’s likely Nationwide made Mr M aware the PPI was optional and that he chose to take it out.
- I don’t think that Nationwide recommended the PPI to Mr M. So it didn’t have to check if it was suitable for him. It was up to Mr M to decide whether the policy was right for him taking into account whatever he already had to make his loan payments if he had to stop working unexpectedly.
- The cost of the policy was shown – including the amount of the premium, the interest payable on the premium and the total and monthly cost. So I think Mr M would’ve understood how much the PPI would cost if he kept the policy for its full term.
- Mr M received a proportionate refund of the PPI premium when he cancelled the policy early. I don’t know if Nationwide explained the situation clearly to Mr M. But I’ve seen nothing to suggest he thought he would repay the loan early. So I don’t think better information about this would’ve stopped him buying it.
- It’s possible Nationwide didn’t point out the main things the policy didn’t cover. Mr M says he suffers from a pre-existing medical condition. During our investigation of Mr M’s complaint he confirmed that he’s never needed to take any time off work as a result of this condition and that it was well managed. So from the information I have it

seems unlikely Mr M would've expected his condition to result in him being unable to work for long enough to need to make a claim. And he was not affected by any other exclusions or limitations. So even if it had been explained to him that his condition may be excluded under the policy, I don't think it would've stopped him buying the PPI.

my provisional decision

For the reasons set out above, I don't intend to uphold Mr M's complaint.

If Nationwide or Mr M has anything further to add before I issue my final decision, they should ensure anything they send reaches me by 20 April 2015.

Jennifer Wood
ombudsman