

complaint

Mr and Mrs P complain that Bank of Scotland plc (BoS), trading as Halifax, mis-sold Mr P mortgage payment protection insurance (PPI).

background

I understand that the mortgage taken out in 1989 with BoS was in Mr P's name only. Around the same time he bought PPI to cover the repayments if he'd been unable to work due to disability or unemployment.

Mr and Mrs P's representatives have made a number of generic complaints including that they didn't give consent to buying the policy. Mr and Mrs P say that they don't believe that BoS fully examined what their needs were. And that they didn't know if the benefits would've been of use. BoS says that Mr P wanted PPI and that the policy was suitable for him.

The adjudicator didn't uphold Mr and Mrs P's complaint. Mr and Mrs P disagree and so the case has come to me for a final decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of the 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 and Mrs P's case.

I'm not upholding Mr and Mrs P's complaint.

BoS hasn't been able to give us copies of important documents from the time of the sale. For example I don't have a copy of the mortgage or PPI applications. And Mr P hasn't been able to give us a detailed account of how the sale happened. This lack of information isn't surprising as over a quarter of a century has passed since the sale.

Mr and Mrs P think that the sale of PPI happened by post. BoS don't know. As the sale of PPI probably took place when the mortgage was being arranged I think it's likely that there would've been a discussion. But I don't know what was discussed during the sale or how the policy was presented to Mr P. So I have to make my decision based on the limited information that I do have and what I think is most likely to have happened at the time.

I accept that it's *possible* that BoS didn't get Mr P's consent to buying the policy or tell him that it was optional. But from what I've read in this and other similar cases I can't fairly conclude that BoS simply added the policy to their account or implied it was linked to getting the mortgage. I think it's more likely that BoS tried hard to sell PPI to Mr and Mrs P. But that's not the same as making them buy the policy.

BoS says that it gave Mr P a recommendation to buy PPI. This means it needed to make sure that the policy was suitable for him. I've looked at the policy benefits, cost of cover and the overall financial circumstances of Mr P from the time of the sale. I think it's important to note that:

- Mr P was eligible for the policy.
- It doesn't appear that Mr P would've been affected by the main exclusions or limitations in the policy, such as those for existing medical conditions or self-employment.

- Mr P told us he would've been entitled to six months full pay and six months half pay from his employer if he'd been sick. And that he had good redundancy terms as well. But PPI would've covered their repayments for up to 12 months per successful claim. The policy would've paid out in addition to any cover Mr P had from his employer and it would've been possible to claim multiple times. So I think the policy would've given them peace of mind and potentially useful cover for what was a significant financial commitment.
- The policy was competitively priced at about £8 per month for what I understand would've been a potential monthly benefit of around £200. And I can't see anything that makes me think the policy wasn't affordable.
- As the PPI was paid for by a regular monthly premium Mr P didn't have to pay interest charges on the policy and it could've been cancelled without a penalty.

So when I weigh everything up, I think the policy was suitable for him.

BoS needed to make sure that Mr P had enough information so that he could make a proper choice about if PPI was right for him. I don't know how much detail the adviser went into during the meeting with Mr P or how things were explained.

But even if there were problems with the information and advice that BoS gave to Mr P, I don't think it would've made a difference to his decision. I think Mr P would still have bought the policy. I say this for the reasons I've already given above.

So, I've decided that in this case Mr and Mrs P haven't lost out as a result of anything BoS might've done wrong.

my final decision

For the reasons set out above, I'm not upholding Mr and Mrs P's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs P to accept or reject my decision before 9 July 2015.

Kevin Williamson
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