

complaint

Mr A complains Hayball Motorcycles Limited (Hayball) mis-sold him payment protection insurance (PPI) with a loan to purchase a motorcycle in 2007.

background

I've attached my provisional decision from December 2014. It forms part of this final decision. In my provisional decision I set out why I didn't intend to uphold the complaint. I also invited Mr A and Hayball to submit any further representations before I made a final decision. Neither Hayball nor Mr A has provided new information.

my 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 A's case.

As no new information has been provided I see no reason to change my position. It follows that I don't uphold this complaint.

my final decision

For the reasons given above, I've decided not to uphold Mr A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 20 March 2015.

Daniel Martin
ombudsman

PROVISIONAL DECISION

complaint

Mr A complains Hayball Motorcycles Limited (Hayball) mis-sold him payment protection insurance (PPI) with a loan to purchase a motorcycle in 2007.

background

The adjudicator felt that the complaint should be upheld. She was of the opinion that Hayball didn't inform Mr A of the monthly cost of the policy. She thought that Mr A would have decided not to take out the cover if he had been aware of this information.

my provisional findings

I've considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. I think the relevant issues to take into account are the same as those set out in the note on our website about our approach to PPI complaints.

I don't intend to uphold this complaint.

I've considered whether Mr A understood the PPI was optional. I don't know how Hayball presented the PPI verbally. But I've considered the available documents from the sale. Hayball has provided a sample copy of a demands and needs PPI document. It says a copy of the form would have been provided to Mr A following a discussion of his need for any payment protection. The form requires the applicant to sign to agree to one of three options: the PPI recommend by Hayball, a different level of cover to that recommended or to decline all PPI. I've no reason to think such a form wasn't provided to Mr A. I think Mr A would have understood, when reviewing and signing the form, that the PPI was optional. I think it most likely that he agreed to the PPI knowing it was optional.

I also think Mr A would have understood from the credit agreement that the PPI was optional and a separate product to the loan. The agreement required him to tick to agree to the PPI and to provide a separate signature for it.

I think Hayball recommended the policy to Mr A. This means it had to ensure it was suitable for his needs. I don't know if it did this. But this doesn't affect my decision. This is because I think the policy was suitable for Mr A. I say this having looked at the policy's benefits, limitations and cost and Mr A's circumstances at the time, because:

- He seems to have been eligible for the policy.
- Mr A didn't have such significant other means to meet his repayments that he had no need for the policy. He says he thinks he was entitled to sick pay for up to 12 months. But the policy would have paid alongside this and potentially for much longer, up to 24 months. He didn't seem to have any savings to cover him if unemployed. If this happened the policy could have met his repayments for up to 12 months.

- Mr A didn't appear to have been affected by any of the policy's significant limitations and exclusions (like it not covering pre-existing medical conditions) that might have made it inappropriate for him.
- I've seen nothing that makes me think the cost was unaffordable or unacceptable to him.
- The policy didn't provide a pro-rata refund if it was cancelled early. But I haven't seen anything that makes me think Mr A might have needed flexible cancellation terms.

Hayball also had to provide clear information to allow Mr A to decide if the policy was right for him. Mr A says he wasn't given adequate information. I don't think Hayball did provide sufficiently clear information. But I think Mr A was interested in protecting his payments. I think if fully informed about the policy he would still have taken it out. It seems that Hayball failed to provide Mr A with the monthly cost of the policy. But I don't think this would have made a difference to his decision. The total cost of the premium was provided on the credit agreement. This also shows that no interest was due on the premium. The monthly cost was just over £12.00. I don't think this is such a significant amount that knowledge of it would have put him off the policy. I think he would have considered the policy to offer a reasonable level of protection at an affordable cost.

my provisional decision

For the reasons given above, I don't intend to uphold Mr A's complaint.

Daniel Martin
ombudsman