

complaint

This complaint relates to March 2006 when Mr P bought a regular premium payment protection insurance (PPI) policy from Pidcock Motorcycles Limited ("PML").

Mr P was taking out a loan to buy a motorbike at the time and he says PML mis-sold PPI with the loan. He says the PPI wasn't properly explained and he was made to feel if he didn't buy the policy, he might not get his loan to buy the bike approved.

For the purposes of clarity, Mr P also complained about an earlier PPI policy sold under very similar circumstances in 2003. However we've sent him a final decision on this case so my decision now relates only to the 2006 sale.

background

The PPI in question protected the hire purchase loan Mr P took out to buy the motorcycle. It covered accident, sickness and unemployment. He also bought 'GAP' and life cover.

One of our adjudicators has already provided a view that this complaint shouldn't be upheld. But Mr P doesn't agree and has asked for the case to be decided by an ombudsman.

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 this case.

Having done this, I've decided not to uphold Mr P's complaint.

I've looked carefully at the paperwork available and also what each party has said about the sale.

I was sent the original sales documentation and I can see a form was filled out capturing all the details of what was agreed. The credit agreement was included as part of this form. Whilst I can see ways in which this form could have been made clearer, I think Mr P would've been able to see that he had a choice about whether or not to have any PPI.

I say this because there were six different insurance options on the form. The first option included having no PPI at all. And the following five had increasing degrees of protection.

But I see it was the sixth of these options that was selected. Mr P signed directly below that choice. And the part of the form he signed said "*I have had the benefits and key exclusions explained to me...*" and "*I wish to take advantage of the level of cover indicated*".

Obviously, after such a long time, I can't confirm what was actually said at the meeting. But I think the structure of the form and the choices Mr P was presented with would've allowed him to see the PPI was optional and not something he needed to have if he didn't want it. He could just as easily have selected the "*no cover*" option. And I think the fact that Mr P signed the form beside where he'd made his choice does show he consented to the PPI.

PML recommended the policy so it needed to ensure it was suitable for Mr P. I can see the salesperson carried out an assessment of his circumstances and noted these down. Mr P told us he had some protection through his job against sickness but I can see this was quite moderate. The cover he bought would've paid out a monthly benefit in the event of a successful claim and this would've been paid in addition to any other means Mr P had.

I also think he was eligible for the cover and not 'caught' by any of the main exclusions we tend to see in these policies. The cost seems to me to be comparable with similar protection offered at that time and there's no evidence pointing to the policy being unaffordable for him.

So whilst I can't say why Mr P chose the option he did, I don't think it being recommended to him was unreasonable. I think the PPI was suitable for him.

PML also needed to give information that was clear, fair and not misleading. I'm not able to say Mr P was told everything he should have been told in this case. But I see the costs were laid out in a way which I consider to be understandable. He'd have known what he was paying for the PPI and other insurances, as opposed to just his loan. I also think it's highly likely he was given a schedule explaining all the terms and conditions.

I do appreciate Mr P feels strongly that he shouldn't have been sold this cover. But the documents do show that he was sold something I think was suited to his situation. And by reading what he was given to sign I think Mr P would have been aware he had some choices. Indeed, I note he selected the most comprehensive level of cover available when other cheaper options were directly next to this.

For these reasons, I'm afraid I don't agree that the policy was mis-sold.

my final decision

I don't uphold Mr P's complaint or make any award against Pidcock Motorcycles Limited.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr P to let me know whether he accepts or rejects my decision before 16 January 2017.

Michael Campbell
ombudsman