complaint

Mr V complains that Bridge Motorcycles Limited (Bridge) mis-sold him a payment protection insurance (PPI) policy. He says Bridge didn't make him aware the policy was optional and didn't give him enough information about it.

background

During a meeting in 2008, Mr V took out a loan with Bridge over 48 months to buy a motor bike. Bridge also sold Mr V a PPI policy.

The policy covered Mr V's loan repayments for up to 24 months if he couldn't work due to accident or sickness and up to 12 months if he became unemployed. The policy also offered life cover. The policy cost £434.40, which was added to the loan and attracted interest over the term. The total cost of the policy with interest was £608.16.

Our adjudicator didn't uphold the complaint because he thought Bridge made Mr V aware the policy was optional and made a suitable recommendation. Mr V disagreed. He says Bridge didn't make him aware the policy was optional and he didn't need the policy because he had a secure job and good sick pay.

my 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 issues in this case are the same as those set out in the information on our website, which explains our approach to complaints about the sale of PPI.

I've decided not to uphold Mr V's complaint.

Mr V says *'I was 'highly recommended' to take out protection on my loan. The salesman 'hinted' it would secure my loan*.' It sounds to me as if Bridge strongly recommended Mr V take out the policy. But this isn't the same as *must* take out the policy. And Mr V hasn't provided a detailed explanation of why or how Bridge led him to believe he had to buy the policy.

Bridge says Mr V's loan had already been accepted by the time he bought the policy. It says Mr V went to the dealership in the morning and after some thinking time returned in the afternoon on the same day to sign his loan agreement. Bridge says this was its usual sales process.

I can't be sure from looking at Mr V's loan agreement if the process described by Bridge was followed. But I also can't see any reason why it wouldn't have happened that way. Even if it didn't, I can see that the loan agreement includes a separate box for PPI. The box includes the statement: *'I wish to purchase the following insurance(s).'* Two boxes appear underneath next to *'Payment Protection'* and '*Warranty.'* Both boxes have been ticked and Mr V has signed the box. He also signed for the loan separately.

Bridge hasn't got Mr V's signed demands and needs statement. Instead, it has given us a sample document it says would've been used at the time to decide whether the policy was right for Mr V.

After asking a series of questions about Mr V's circumstances, it sets out three levels of cover (Gold, Silver and Bronze). And at the bottom of the form, it gave Mr V the option to decline the recommended policy.

Weighing up all the evidence I think Bridge made it clear to Mr V that the policy was optional and that Mr V chose to buy it.

Based on what Mr V has told us about his circumstances I also think the policy was right for him. Mr V was eligible for the policy and doesn't appear to have been affected by any of its main limitations or exclusions. So he could have benefitted from the full cover of the policy if needed.

The policy could have met Mr V's loan repayments in addition to and for significantly longer than his sick pay. Mr V didn't have any savings or other insurance policies to help him. So, I think he would have struggled to make his repayments if he couldn't work. And although Mr V says his job was safe the purpose of the policy was to insure against risk – if he lost his job, the policy could cover his loan repayments.

The policy didn't offer a proportionate refund if the loan was repaid early and the policy cancelled. But flexibility doesn't seem to have been important to Mr V. His circumstances at the time of the sale didn't suggest he would be likely to repay the loan early. Mr V would have needed to claim for just over seven months for the policy to pay for itself. So I don't think the cost of the policy, compared to its benefits, made it unsuitable for him. I also haven't seen anything to suggest the policy was unaffordable for Mr V.

Bridge should also have given Mr V enough information so that he could decide whether the policy was right for him. Mr V's signed loan agreement sets out separately the cost of the PPI, the interest on it and the total cost of the PPI. So, I think Mr V would have had a good idea about how much the policy was going to cost him.

Bridge says it gave Mr V a copy of the policy summary at the meeting and then sent him a full policy document in the post afterwards. I can't be sure if Mr V received, read or understood all of that information. And I can't be sure if the sales adviser explained everything clearly to Mr V at the time of the sale.But I don't think clearer or better information would have made Mr V decide not to buy the policy. Based on what Mr V has told us about his circumstances, I think fuller information would have shown him that the policy provided useful potential benefits at a reasonable cost. This means Mr V isn't worse off as a result of what Bridge did wrong, so there's nothing Bridge needs to do to put things right.

my final decision

For the reasons I've explained I've decided not to uphold Mr V's complaint.

Sharon Kerrison
ombudsman