

## **The complaint**

Mr and Mrs F complain that Bank of Scotland plc trading as Halifax ('Halifax') mis-sold them a monthly premium payment protection insurance ('PPI') policy taken out in 2000 when they applied for a joint loan.

## **What happened**

Mr and Mrs F complained to this Service. Our adjudicator thought the complaint shouldn't be upheld. Mr and Mrs F disagreed with our adjudicator's view and asked for the matter to be looked at again.

Mr and Mrs F added they were never aware they had insurance because it wasn't made clear to them they were buying it; and also that Mr F was entitled to sick pay from his employer.

I will consider their points in more detail below, but I should say here that the policy only covered Mr F – so I'll sometimes refer only to him. And sometimes I'll refer to Mr and Mrs F wherever it's appropriate.

## **What I've decided – and why**

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 that, I've decided not to uphold Mr and Mrs F's complaint. I know this will be a disappointment to both of them, so I'll explain why.

Mr and Mrs F specifically complained they were not aware they'd bought PPI because it wasn't made clear to them they were buying it. So I looked into this part of the complaint in some more detail.

I don't know what was said to them during the sale meeting and Mr and Mrs F haven't given me any detail about the conversations they had that day. So I've looked at the paper evidence which Halifax sent to this Service. I've been given a copy of Mr and Mrs F's loan agreement which they both signed in 2000. On it there are the words "*Do you want Personal Loan Repayments Insurance?*" and next to that, two clear tick boxes marked "Yes" and "No".

On Mr and Mrs F's form, the "Yes" box has been crossed – it's clear they could also have said no to PPI by crossing the "No" box. So because they had that choice, I think there is enough here to show that PPI was an optional product. As Mr and Mrs F both signed the form, I can assume they would have seen the tick boxes and should have been reasonably aware of the final choice. So I think it's more likely they were aware they had PPI, that it was optional and that they chose to have it.

I also noted Mr F was the only person covered by the PPI policy. So I think it's more likely there must have been some discussion about PPI, because Mr and Mrs F most likely decided that only Mr F needed the cover. So I think it's reasonable to think they probably decided they needed PPI if Mr F lost his job through accident, sickness or unemployment.

Mr and Mrs F couldn't remember if the sale was advised or non-advised. Halifax said the sale was advised. As there is a higher evidential standard for Halifax to reach on an advised sale, I'll assume the sale was advised. For such sales, Halifax had to make sure the policy was suitable for Mr and Mrs F's needs. I think it was suitable because:

- Mr F was eligible to buy it – so the policy only covered him;
- Mr F wasn't affected by the main things not covered in the policy (the exclusions);
- the policy seemed affordable for them at the time of the PPI sale.

Mr F told us he would get sick pay from his employer. But I think they still would have had a benefit from the PPI which could probably pay out for longer than and in addition to his employee benefits. So I don't think Mr F's sick pay made the policy any less suitable for their needs.

For advised sales, Halifax also had to give Mr and Mrs F enough information which was clear, fair and not misleading. So I checked to see if Halifax gave Mr and Mrs F enough clear information about the main features of the policy – like the cost and the exclusions.

I saw the monthly PPI premium was set out clearly on their loan agreement. And it was set out separately from the monthly loan repayment. So I think the costs were fairly clear for Mr and Mrs F. And - having already decided they wanted PPI and chose to have it - I don't think they'd have been put off from buying it if they'd been given clearer cost information.

I don't know how Halifax explained the exclusions to Mr F but none of the main ones affected him. So even if he'd been given a full list of them, I don't think he would have been put off from buying PPI.

Taking everything into account, I'm not going to uphold this complaint. I'm sorry to disappoint Mr and Mrs F.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F and Mrs F to accept or reject my decision before 28 January 2020.

Amrit Mangra  
**Ombudsman**