

Complaint

Mr B complains that he was mis-sold a payment protection insurance (PPI) policy.

Although the policy was sold by another business, Financial Insurance Company Limited (FICL) have accepted responsibility for the sale and by extension this complaint.

So I've only referred to FICL during this decision.

Background

Mr B took out a store card in 1995. He was sold the PPI in connection with this card at the same time.

The PPI would've cost Mr B no more than £1 per £100 of the monthly outstanding balance. And as I understand it, would've covered 15% of the monthly outstanding balance if Mr B was off work sick or lost his job until the outstanding balance had been cleared.

Our adjudicator didn't think Mr B's complaint should be upheld.

Mr B didn't agree with our adjudicator and so the complaint has been passed to me to decide.

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 B's case.

Having done that, I've decided not to uphold Mr B's complaint. I will go on to explain why.

I'm satisfied Mr B was eligible for the PPI based on his age and circumstances at the time of the sale.

FICL had to make it clear to Mr B that the PPI was optional and needed Mr B's consent before it could be applied to the account. Mr B says he never knowingly took PPI out and that it was added without his consent.

I can't know for sure what happened during the sale and so I've thought about what Mr B and FICL have told us and looked to the documents from the time of the sale to help me decide what is *more likely* to have happened.

In particular, I've been given a copy of the credit agreement. This document has a section for PPI. I can see that Mr B was presented with two equally clear options to take or refuse PPI. I note the box to take PPI has been ticked. And it appears to me that if this box hadn't been

ticked then PPI wouldn't have been applied to the account. Mr B says that he didn't know the box to take PPI had been ticked.

I appreciate what Mr B has told us but I don't have sufficient evidence to conclude that it's *more likely* that Mr B didn't tick the box for PPI. But even if he didn't and it was the representative who did tick the box on Mr B's behalf, I note that Mr B signed this form. So he still had the opportunity to tell the representative if he wasn't happy with what had been ticked on the form before he signed it. By signing the form, Mr B confirmed the selection.

So based on what I've seen, I can't say that it's *more likely* that PPI wasn't presented as optional or that Mr B didn't choose to take it.

From the information available to me and what I know of their sales practice at the time, I don't think FICL advised Mr B to take the policy out. This means they didn't have to take adequate steps to ensure the policy was suitable for Mr B. So for example, they didn't have to ask about or take into account Mr B's existing provisions or assess if the PPI was affordable for Mr B.

But FICL did have to give Mr B clear information so that he could make a proper choice about whether or not to take the policy out. I can't say that FICL gave Mr B all the information as they should've about the costs/benefits of the policy or the main exclusions and restrictions.

So I have to go on and consider whether better information would've put Mr B off taking the policy out. I don't think it would've. I say this because:

- The policy would've paid out in addition to, and for a longer period of time, than the statutory sick pay Mr B may have received. It would've covered 15% of his repayments every month until the outstanding balance had been paid off or he returned to work. And it would've provided the same cover if Mr B lost his job.
- Mr B didn't appear to have been affected by the more restrictive terms in the policy, such as those relating to preexisting medical conditions, which could have made it more difficult for him to make a successful claim under the policy. Mr B has told us he may have been self-employed at the time of the sale. Some policies made it difficult for self-employed people to make a successful claim under the policy, but it's unlikely that this was one of those policies.
- Mr B could've cancelled the policy at any time without losing out financially if he no longer wanted it.
- Although the policy was more expensive than other policies, I note that the monthly benefit was higher and the policy would have paid out potentially until Mr B returned to work.

So based on what I've seen, I don't think Mr B was mis-sold this PPI policy.

My final decision

I don't uphold Mr B's complaint against Financial Insurance Company Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 12 February 2020.

Navneet Sher
Ombudsman