

Complaint

Mrs G, who is represented by a third party, says she was mis-sold payment protection insurance (PPI) with a store card. She says the PPI was added to the store card without her knowledge.

Mrs G has suggested that she bought the PPI in June 2000 but from the information we've received it looks more likely that it was in fact sold in June 1994.

The credit facility was provided by a 'high street' bank, but there has been a change in the company which is now responsible for answering these types of complaint. The company now responsible is called AXA France IARD.

I'll therefore refer to "AXA" throughout this final decision.

Background

One of our adjudicators has assessed this complaint and already provided a view that it shouldn't be upheld. Mrs G disagreed and so it's been passed to me for an ombudsman's final decision.

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 Mrs G's complaint.

AXA says its records indicate the policy was in the store when Mrs G was taking out her store card. We've seen a number of very similar sales to this one and we've spoken at length to the company involved to gain an understanding of the processes that were generally used. The AXA description of how this sale took place is in accordance with my understanding of how many consumers bought this type of PPI with store cards at around that time.

Unfortunately, given that the sale happened so long ago, we don't have a copy of the actual credit agreement Mrs G filled out when she took out the card and PPI. I know it's likely there was a section on the application leaflet about PPI. This would most likely have invited her to either sign her name - or leave blank - an option box to have PPI cover. It follows that I think she consented to the PPI by signing at this point. I think she'd have been equally free to not have asked for the PPI on the form.

It is also possible that a member of staff filled out the form for her. This could explain why Mrs G might consider that the PPI was added without her knowledge. But I would still have expected her to check the credit agreement before signing it.

These things, taken together, make me think it's *more likely* Mrs G agreed to add the PPI policy to her store card, back in 1994.

My experience is that AXA provided a 'non-advised' sale. This means it needed only to provide enough clear information for Mrs G to decide for herself whether she wanted the cover. I simply can't say whether this was done because there's nothing to refer to. But I think it's just as likely that important information was given, as it wasn't. And I think it's fair for me to assume Mrs G would have at least been sent something by the third party insurer explaining the cover and what it did.

Mrs G told us she had some sickness protection already with her job – being for at least 6 months but for less than 12 months - implying she didn't need any PPI. I understand why she's told us this and I've thought very carefully about the benefits Mrs G says she enjoyed. But I'm afraid these don't necessarily mean the PPI wasn't of use.

I've checked that Mrs G was eligible for the cover and not 'caught' by any of the major exclusions we tended to see in some of these policies. The cost of the PPI offered was relatively expensive, but the benefits the policy offered gave more protection than most credit cards. For example, if she'd become unable to work or lost her job, the PPI would've paid off 15% of her outstanding store card balance each month until she returned to work or until all the balance was returned to zero. These benefits would've been in addition to any other means Mrs G had in place at the time.

For me to uphold Mrs G's complaint, I'd need to think it was more likely that she wasn't given an option or there were other serious flaws in the way the policy was sold. I just don't have that evidence. So I'm afraid I can't safely say this policy was mis-sold.

I'm sorry to disappoint Mrs G.

My final decision

For the reasons set out above, I don't uphold Mrs G's complaint and I don't require Financial Insurance Company Limited to do anything.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 18 May 2020.

Michael Goldberg
Ombudsman