



The complaint

Mr S has complained that Vanwise Group Ltd (Vanwise) mis-sold him a payment protection insurance (PPI) policy when he took out credit buy a vehicle.

What happened

In April 2005 Mr S bought a vehicle on hire purchase (HP) from Vanwise and at the same time he took out a PPI policy to protect his repayments.

When Mr S complained to Vanwise that the policy was mis-sold it didn't agree.

Mr S wasn't happy with what Vanwise had said and brought his complaint to this service.

I issued a provisional decision on this complaint in July 2020, setting out the reasons why I didn't think the PPI had been mis-sold.

Vanwise has provided no further comment or information.

Mr S has responded providing some information about his recollections of the sales meeting when he purchased the PPI.

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 Mr S's complaint.

Mr S has raised an issue in his response to my provisional decision about an additional payment he had to make. This seems to be totally unconnected to the PPI and whether it was mis-sold, so not something I have considered or will address in this decision. If Mr S has any concerns about any other issues he would need to take them up separately. In this decision I am only considering if the PPI taken out with the HP agreement was mis-sold.

Mr S told us he was unaware he had taken out PPI which was included on the HP agreement for his loan. He says there was no discussion about the PPI and the HP form was infilled before he signed it and it was only later, he realised he had the PPI.

In response to my provisional decision Mr S has also said the vehicle purchase was a spur of the moment decision and the form was completed in his absence at Vanwise premises, as he had to obtain some records from home. On his return to the Vanwise premises he says he just signed the form without reading it.

Vanwise has provided a copy of the credit agreement form Mr S signed. As I indicated in my provisional decision there was information on the application form that would have required

Mr S's input. His personal information and all the information about how much he was borrowing, the term of the loan, the repayment amounts etc. Whilst I note Mr S says he was not on the premises when the form was completed, he must have had some discussion, and information would have been recorded, to enable all the correct information to be put onto the form for Mr S to read and sign.

Mr S was taking out a loan of several thousand pounds and to ensure he could repay what he was committing to he was required to sign the application form. Where he put his signature, it states clearly that he should only sign if he wanted to be bound by the terms of the agreement. Therefore, he was signing to say he agreed to what was contained on the form – and that included purchase of the PPI policy and the repayment of the cost which was set out on the form.

I would also add that as the "Gold" level of cover for self-employed was selected there would most likely have been some discussion about his employment status and the cover that was on offer. Where the level of cover has been selected, next to the box it states if no cover is required then the box should say "None".

Whilst I have taken account of what Mr S has said about when he bought the PPI, I think at the time, he did sign the application form to confirm he agreed to be bound by what was in it and he should have been aware he was taking out the PPI cover. The box relating to the PPI indicated a level of cover had been selected, and the costs were set out in full on the form, so I think the way this was entered and presented, before he signed the form, Mr S should have known he had a choice.

Four types of policy were available, with a Gold policy specifically for the self-employed. The insurer has confirmed that Mr S was covered by the Gold cover for self-employed. This meant that there were no restrictions in the policy making it difficult or restricting claims for those who were self-employed, which included Mr S.

As Mr S had the type of policy to cover those who were self-employed, he had the full benefits of the policy available to him if he had needed to claim. I cannot see from what Mr S has told us he was affected by any of the other restrictions of the policy, such as having a pre-existing medical condition. So the policy he bought was suitable for his circumstances.

It is quite possible that full information was not provided by Vanwise at the time the policy was sold. Mr S may not have been told or understood all of the restrictions in the terms and conditions that applied to the PPI. And it's possible the information he was given wasn't as clear as it could have been.

But I've not seen anything to suggest Mr S would have been affected by any of the exclusions to or limits of the PPI policy he took out. As he wasn't caught by any restrictions of the policy, I don't think clearer or better information about these when the PPI was taken out, would have put him off taking out the cover at the time. And as I've said I think it should have been clear to him he had a choice about taking out the policy, and he agreed to take it.

The cost of the policy was reasonable when looking at the benefits offered if a claim was made. And I have seen nothing to show the cost was not affordable.

Mr S would have received documents and an insurance schedule in the post after the purchase from the insurer. And if he didn't want the PPI, or didn't know about it, he could at that time have questioned it and cancelled it. There would have been a period in which he could cancel without any cost.

It follows, that I don't think the policy was mis-sold and I'm not upholding this complaint.

The issue of compensation for the commission and profit share that would have been part of the PPI premiums has already been addressed and settled in a separate complaint with the insurer, therefore Vanwise has no liability for this.

My final decision

For the reasons I've set out above, I am not upholding this complaint that the PPI was mis-sold by Vanwise Group Ltd to Mr S.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 2 October 2020.

Chris Fraser
Ombudsman