

The complaint

Mrs C and Mr D took out a mortgage in 1996 with Bradford & Bingley Plc, trading as Bradford & Bingley Building Society (“B&B”), and were sold a mortgage payment protection insurance (PPI) policy at the same time. They say they were mis-sold this type of cover.

What happened

One of our adjudicators has already assessed this case and told Mrs C and Mr D it’s unlikely to be upheld. They disagreed and asked for it to be passed for an ombudsman’s final decision.

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 this, I’ve decided not to uphold this complaint.

The first thing I looked at is whether Mrs C and Mr D agreed to the policy - I think there’s plenty of evidence that they did because I have access to the original paperwork they both signed. I can see there was a section on their mortgage application about PPI and when asked if they wanted it, they inserted the word “YES”. I note they also went on to select the type of cover they wanted and some aspects about the costs. I therefore think B&B correctly obtained Mrs C and Mr D’s consent.

There’s no evidence B&B carried out an ‘advised’ sale here. This means it presented the PPI as an option and it was for Mrs C and Mr D themselves to decide what they wanted to do. B&B should have supplied enough information to enable Mrs C and Mr D to make an informed decision.

Obviously I can’t say after such a long time that Mrs C and Mr D were told everything they ought to have been told. But they would have known that getting the mortgage was their own decision and I think the PPI was portrayed as an optional extra for their consideration. As I’ve said, the costs were most probably understood by them at the time and they could see the amount of benefit that would have been payable, if they’d needed to make a claim.

Even if I considered that B&B could have done more to explain certain things, I’m afraid I still don’t think this changes anything. Both Mrs C and Mr D appear to have been eligible for the cover and not ‘caught’ by any of the main exclusions we sometimes see in these policies. The price seems to me to be comparable with similar policies I’ve seen from around that time period and at around £16 per month for joint-cover, I’ve seen nothing that suggests it wasn’t affordable for them.

Mrs C and Mr D said they didn't need the cover because they both had sickness protection with their jobs. But, as I've said, the decision about whether or not to take out the policy was for Mrs C and Mr D to make. In any event, this cover was in addition to any other means they had at the time and as their mortgage was secured against their home, I think it was of use. I also think the policy covered mostly what they probably assumed they were buying at the point of sale. In the event of a successful claim, up to £125 (each) was payable every month for up to a year.

Overall, I think there's strong evidence that Mrs C and Mr D engaged in the discussions about this sale and went through a number of steps to get the policy. I think it was something they wanted to have and I see they went on to keep it for several years.

I'm very sorry to have to disappoint Mrs C and Mr D.

My final decision

I do not uphold Mrs C and Mr D's complaint.

I do not direct Bradford & Bingley Plc to do anything.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C and Mr D to accept or reject my decision before 14 February 2022.

Michael Campbell
Ombudsman