

The complaint

Mrs B has complained that Santander UK Plc mis-sold her a personal loan payment protection insurance (PPI) policy.

What happened

Mrs B arranged the loan over the internet in January 2011 and was sold PPI at the same time.

Our adjudicator upheld the complaint. Santander disagrees with the adjudicator's opinion and so the complaint has been passed to me for a 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.

I've decided to uphold Mrs B's complaint and I'll explain why.

Mrs B applied for the PPI over the internet. So there was no direct contact with any Santander staff. As such I'm satisfied that this was a non-advised sale, meaning that Santander did not have to ensure that the policy was suitable for Mrs B's needs.

However, Santander still needed to provide Mrs B with sufficient, appropriate and timely information to enable her to make an informed choice about whether to take out the policy, including drawing to her attention and highlighting – in a clear, fair and not misleading way – the main provisions of the policy and significant limitations and exclusions.

Santander has provided screenshots of what Mrs B would have seen as she progressed through the online application process.

There is a section for PPI which gives basic information about the main benefits of the policy and then asks an applicant to choose 'yes' or 'no' to either request or decline the cover. There is nothing on this page about the limitations and exclusions contained within the policy.

A few pages further along, there is summary of the policy. It explains that the summary only provides the key facts and that the full terms and conditions can be found in the policy document – but it doesn't provide a link to the policy document.

Neither of these pages contains information about pre-existing medical conditions being excluded. This would have been important information for Mrs B as she had a number of health conditions at the time.

I also agree with our adjudicator that the cost information is insufficient. From what I can see, the cost of the policy is not mentioned during the online process and it does not refer an applicant to where they can find this information.

I take the view that Mrs B would not have purchased the policy if she had been aware that her pre-existing medical conditions weren't covered. I don't think she'd have found the rest of the benefits of the PPI sufficiently attractive to outweigh the shortcomings in her particular case. If she had been aware of the cost, she would not have found it value for money in her particular circumstances. It follows that I uphold the complaint.

Putting things right

Santander should put Mrs B in the financial position she'd be in now if she hadn't taken out PPI. So Santander should:

- Pay Mrs B the amount she paid each month for the PPI
- Add simple interest to each payment from when she paid it until she gets it back. The rate of interest is 8%.†
- If Mrs B made a successful claim under the PPI policy, Santander can take off what she got for the claim from the amount it owes her.
- It can also deduct any amounts it's already paid regarding commission and profit share.

† HM Revenue & Customs requires Santander to take off tax from this interest. Santander must give Mrs B a certificate showing how much tax it's taken off if she asks for one.

My final decision

My decision is that I uphold Mrs B's complaint and require Santander UK Plc to pay fair compensation as detailed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 21 October 2022.

Carole Clark

Ombudsman