

## **The complaint**

Mrs E, on behalf of herself and the estate of Mr E, has complained that West Bromwich Building Society (WBBS) mis-sold them a mortgage payment protection insurance (PPI) policy in 1998.

## **What happened**

Mr and Mrs E took out the PPI around the same time as applying for the mortgage in a branch of WBBS. The policy was free for the first 12 months.

After the free period, Mr and Mrs E then paid for the policy before cancelling it in November 1999.

WBBS didn't agree that the policy had been mis-sold, so it didn't uphold the complaint. However, as a gesture of goodwill, it offered to refund the premiums that had been paid, totalling £235.99.

Our investigator thought that WBBS had acted reasonably. Mrs E disagrees with the investigator'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.

There is some paperwork still available from the time of the sale. I've seen the mortgage application form, the separate PPI application form and the mortgage offer document. The mortgage application form is dated 11 May 1998. The section for PPI has a handwritten note saying: 'TBA'. The PPI application form has then been completed on 29 June 1998.

From the available evidence, I'm satisfied that the PPI wasn't presented as a condition of the lending. It seems to me that Mr and Mrs E decided to buy it, knowing that they didn't have to. Indeed, Mrs E has said that, as it was free for 12 months, why wouldn't they agree to it.

This was an advised sale, meaning that WBBS had to ensure that the policy met Mr and Mrs E's needs. And from what I know of their circumstances at the time, the PPI was suitable for them.

They were both in full time employment and so were eligible for cover. They would both have received employer benefits if they had been off sick. But the policy would have paid out in addition to any sick pay and potentially for longer than they would have received full pay for. They had some savings at the time. But having the policy would have allowed them to retain any savings or to use them to cover other outgoings at what would have been a difficult time.

Mrs E says she would never have been able to make a claim for unemployment due to paying married woman's national insurance, meaning she would not have been eligible to receive unemployment benefit.

The full policy document is no longer available, so it isn't possible to check what the exact terms said. There are several reasons why someone might not be eligible to receive unemployment benefit, such as being in receipt of pension income or having too much in savings. But those people would still be able to register as unemployed even if they didn't receive any allowance. Policies of this type usually require evidence that someone is unemployed, which can take many forms. So, not being in receipt of unemployment benefit would not usually be a barrier to making a claim, as long as alternative evidence of unemployment was available.

Overall, I'm satisfied that Mr and Mrs E had a need for the policy and could have benefitted from it if an insured event had arisen.

WBBS also needed to provide enough information for Mr and Mrs E to make an informed choice about buying the policy. I can see that the 'Acceptance of Offer' document dated 21 July 1998 sets out the cost and benefit of the policy.

It's possible that WBBS didn't provide as much information about the PPI as it should have, particularly in relation to what the policy didn't cover. But Mr and Mrs E weren't affected by any of those things, for example, neither of them had a pre-existing medical condition that might not be covered under the terms.

Mrs E has complained that WBBS hasn't applied interest to the offer to refund the premiums. However, we would only expect interest to be added if a mis-sale complaint had been upheld. WBBS didn't agree that the policy had been mis-sold and simply offered to refund the premiums as a gesture of goodwill.

As I'm also satisfied that the policy wasn't mis-sold, I think it was reasonable for WBBS to offer a straight refund of premiums, as it didn't have to offer anything at all. It follows that I do not uphold the complaint.

### **My final decision**

For the reasons set out above, I do not uphold the complaint. However, West Bromwich Building Society should make arrangements now to refund the premiums as it had previously offered.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs E and the estate of Mr E to accept or reject my decision before 8 January 2025.

Carole Clark  
**Ombudsman**