

complaint

Mr S complains that HSBC Bank plc ("HSBC") mis-sold him a mortgage payment protection insurance ("PPI") policy.

background

Mr S told us that he was very unhappy that PPI was added to his mortgage without his knowledge or consent. He said, if he'd known the policy was offered, he would've declined as he didn't need it.

There's only limited information about Mr S's mortgage. None of the 1996 paperwork from the original sale is available and neither Mr S nor HSBC could confirm how the mortgage or PPI was sold.

Mr S borrowed some more money on his mortgage account in 2002. There's a little more paperwork still available with details of that sale. It appears that PPI cover was increased in 2002 to provide protection for the extra amount Mr S borrowed.

Our adjudicator assessed Mr S's complaint on the basis of all the information available but didn't find enough evidence to uphold his complaint. Mr S disagrees, so the complaint comes to me to decide how it should be settled.

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. I've decided not to uphold Mr S's complaint.

what happened in 1996

Mr S was eligible for the PPI policy and met the requirements to have the cover.

If there was any discussion about PPI I don't know how HSBC would've presented PPI to Mr S or explained it to him. I wouldn't expect HSBC to keep records indefinitely. And it wouldn't be reasonable to expect Mr S to remember exactly what he was told when he took out PPI as the sale happened so long ago. So I can't just rely on what Mr S says. I have to look at everything and decide what I think is *most* likely.

In order to uphold Mr S's complaint I'd have to find that it's likely he wasn't given a fair choice about PPI or that it was added to the mortgage account without his consent. Overall, I don't think the evidence is strong enough for me to say that HSBC didn't make it clear that it was open to Mr S not to choose PPI if he didn't want to have it, just based on what he says now. The mortgage was a major financial commitment, due to run for a long period of time. His home would've been at risk if the mortgage payments weren't kept up to date. So, I can see why Mr S might've felt PPI was useful to have. I can completely understand why Mr S might've forgotten this now. But, on balance, I think it's more likely that Mr S was persuaded of the need to protect his home by taking out the PPI offered and he decided to buy the policy.

It's not clear whether HSBC advised Mr S to take out the policy. Mr S says it wasn't recommended. But I don't need to make a decision about this because it doesn't look like PPI was unsuitable for him based on what I've seen of his circumstances at the time. Mr S has told us he would've received generous sick pay from his employer and he had other means to make the repayments if he couldn't work. But redundancy money wouldn't have helped if Mr S had been off work sick. And the policy would've paid out in addition to his sick pay for up to 12 months per claim. As he'd have been on half pay only after 6 months off work I think that could've been a useful benefit at a difficult time. Repeat claims were possible giving Mr S long term protection for his mortgage while he was paying for his home.

The policy didn't cover some things. But it doesn't look as if that would've affected Mr S. So, I don't think more information about the policy exclusions and limitations would've made any difference to Mr S's decision to take out PPI. I don't know if the PPI cost was made clear to Mr S when he bought the policy. But, I've seen nothing to suggest that he couldn't afford the monthly premiums. Given that Mr S was solely responsible for paying his mortgage, and the serious consequences of defaulting on a debt secured on his home, I think he'd have appreciated the peace of mind the cover gave him (even if he's forgotten now). It's possible that HSBC mightn't have given Mr S clear information about all aspects of the PPI. But I think Mr S chose to take out the insurance and I can see why he might've thought it would be useful in his particular circumstances. I think it unlikely he'd have made a different decision in 1996 if better information had been provided.

what happened in 2002

PPI wasn't extended automatically. I think it's more likely that Mr S agreed the extra cost as he wanted the PPI benefits to cover his extra borrowing. And I can understand why. As far as I can see his circumstances were broadly the same. The new policy gave Mr S the same benefits and it provided him with the long term protection he already had for his original mortgage. Mr S continued to be able to take advantage of all the benefits under the policy.

Taking all his circumstances into account, even if there were failings in the way HSBC sold him PPI, I don't think that better information would've put Mr S off having it. So I don't find he's lost out as a result of anything that HSBC might've done wrong. And there's nothing it needs to do to put things right.

my final decision

For these reasons, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr S to accept or reject my decision before 29 January 2018.

Susan Webb
ombudsman