

## **complaint**

This complaint concerns the sale of a regular premium payment protection insurance (PPI) policy. Mr C complains that he was mis-sold the insurance by Clydesdale Bank Plc (Clydesdale).

## **background**

Mr C purchased the insurance in connection with a credit card in 1997.

The adjudicator did not conclude that Clydesdale had mis-sold the insurance policy and did not uphold Mr C's complaint. Mr C does not agree with our adjudicator's view, so the matter has been referred to me for a final decision.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. I have also taken account of the law and good industry practice at the time the PPI policy was sold.

The relevant considerations in this case are materially the same as those set out in our well established general approach to complaints about the sale of PPI which is published on our website. The key questions I need to consider therefore are:

- Whether in giving any advice or recommendation Clydesdale took adequate steps to ensure that the product it recommended was suitable for Mr C's needs.
- Whether Clydesdale gave Mr C information that was clear, fair and not misleading in order to put him in a position where he could make an informed choice about the insurance he was buying.

If there were shortcomings in the way in which Clydesdale sold the policy, I then need to consider whether Mr C is worse off as a result; that is, would he have done something different – eg not taken out the policy – if there had been no shortcomings in this case.

## **basis of sale**

The sale of the insurance took place at a meeting. Both parties have agreed that Clydesdale recommended the insurance to Mr C. So I have considered whether it was a suitable recommendation for him.

## **was the policy suitable?**

The policy appears to have been suitable for Mr C's circumstances at the time. He was eligible for the cover and it was affordable for him. He had no employer benefits or any other apparent means with which to meet his credit card repayments, in the event he could not work.

Clydesdale has been unable to provide this service with confirmation of the policy's costs. However based on the earliest credit card statement available from 2000 they say the cost at this time was 68p per £100 of outstanding credit balance. In 2010 a letter was sent to Mr C confirming that the cost of the insurance would rise from 77p to 78p per £100 of outstanding

balance. The policy would have covered 10% of the outstanding balance for up to 12 months in the event of a successful claim.

Although the policy included conditions limiting the cover for some people (for example, those with pre-existing medical conditions), it doesn't appear these restrictions applied to Mr C's circumstances. I note Mr C's comments regarding the length of his previous employment, but this did not make him ineligible for the policy. I have also noted that he says he was going to do four months temporary work abroad. The policy would not have allowed him to claim for unemployment on the completion of this temporary work. But I take the view that this was for a single period and that Mr C would still have been able to benefit from the policy for a significant period of time. He could also choose to cancel the policy at any time if his circumstances changed.

On balance I am satisfied therefore that the policy was suitable for Mr C.

**was the optional nature of the policy made clear?**

In his complaint Mr C has said that the insurance policy application was completed by the advisor, and that he thought the insurance was compulsory. Mr C has highlighted the misspelling of his mother's maiden name and his incorrect date of birth as evidence that the application was completed by the advisor. I accept that the advisor completed the application form but this does not mean that the optional nature of the insurance was not made clear to Mr C.

The advisor would have needed to seek responses from Mr C in order to complete the form. Whilst the insurance cover has been selected there are other options such as card protection and transfer of existing benefits which have not been selected. Although the possibility exists that Mr C was not asked if he wanted the insurance policy, it is equally likely that he was. And Mr C has signed the application. On balance I cannot safely conclude that the policy was not presented as being optional.

**did the consumer have enough information to make a properly informed choice?**

I'm not satisfied in this case that Clydesdale drew Mr C's attention to all the significant features of the policy.

But it doesn't automatically follow from this that I should uphold Mr C's complaint. I need to be satisfied that Mr C has lost out as a result – in other words, that he would have acted differently (and decided not to take out the policy) if Clydesdale had clearly explained all of the policy's significant features.

Clydesdale has said that Mr C was provided with a leaflet explaining the full details of the policy. The information is presented under reasonably clear headings, such as 'eligibility', 'exclusions' and 'insurance benefits'. And Mr C has signed the application form to indicate that he had read the terms and conditions. However there is no information in the summary or on the application form regarding the premium costs.

But as already stated, I have not found evidence to conclude that the PPI cover was unsuitable for Mr C. And there is nothing in his circumstances which suggests to me that any information he might not have known would have dissuaded him from taking out the insurance.

Mr C had no employer benefits and the insurance policy would have paid out more than Mr C's minimum credit card repayment each month for a period of up to 12 months for any one claim in the event of a successful claim for accident, sickness or unemployment. And this would have been payable on top of any alternative means. It also provided clearance of the outstanding balance on death. The policy's cost was relatively competitive. I am not persuaded that Mr C would have found this unaffordable or unacceptable at the time the policy was sold to him.

Whilst Clydesdale may not have provided adequate information to Mr C, I do not think this has been detrimental to him. Essentially I think Mr C wanted the cover and that this policy was suitable for him and provided broadly what I think he expected. I'm not persuaded he would have made a different decision (and decided against taking it out) if any of the features had been better explained.

**my final decision**

For the reasons set out above I do not uphold Mr C's complaint or make any award against Clydesdale Bank Plc.

Paul Bishop  
**ombudsman**