

complaint

Miss R says Bank of Scotland Plc, trading as Halifax, mis-sold her a payment protection insurance (PPI) policy.

background

Miss R applied for a credit card in a branch meeting in 2001. The PPI was added to the credit card at the same time and covered her repayments if she couldn't work due to disability or unemployment. It also included life cover.

Our adjudicator didn't think the PPI had been mis-sold. Miss R disagreed, so the complaint was passed to me to review afresh.

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 Miss R's complaint.

Having done so, I've decided that the PPI wasn't mis-sold. I'll explain why.

Halifax should have made it clear to Miss R that the PPI was optional and got her agreement before adding it. She says she wasn't aware it had been added. While I can't be sure what was said in the meeting when the PPI was sold, I've looked closely at what Miss R's said, together with all of the information I have.

Halifax has sent me a copy of the credit card application Miss R signed and dated. It included a clear and prominent box to mark if she wanted PPI and a separate box next to it for another insurance product it was selling. There's a printed cross in the PPI box, but not in the other box. If Halifax had generally been adding insurance without telling its customers I might have expected both to be selected. Instead I think the application, together with experience of how Halifax sold PPI at the time, suggest there was a discussion between Miss R and the adviser about insurance. And that she chose to take PPI, knowing it was optional.

I think that Halifax recommended the PPI to Miss R. This means it had to look into whether PPI was right for her. I don't know if it did that. But, from what Halifax has sent me and what Miss R's told me about her circumstances at the time of the sale, I think the PPI was right for her in any case because:

- She was eligible for the PPI. And I don't think she was affected by any of the main things the PPI excluded or limited cover for.
- She says she was entitled to enhanced sick pay from her employer for a time, but the PPI benefits would have paid out on top of that and for longer, at up to 12 months per disability claim. It covered her for unemployment too. And, unlike the family help she says she could have relied on, the PPI benefits were guaranteed. Overall, I'm satisfied the PPI would have been useful to her.

- There's nothing to suggest Miss R couldn't afford the PPI. And, if she no longer wanted it, the PPI was flexible enough that she could have cancelled it at no extra cost.

Halifax also had to make sure it told Miss R enough about the PPI for her to make up her own mind about whether it was right for her. And it had to do this in a clear, fair and not misleading way. I don't know for sure how much information Halifax gave Miss R or how well it was explained. But, for the same reasons I think the PPI was right for her, I don't think better information would have made a difference to her decision to take it out.

This means I don't think the PPI was mis-sold. So Halifax doesn't need to refund everything the PPI cost. But Halifax has already offered to give Miss R back some of the cost of the PPI. I don't think it needs to do anything more.

Halifax will make arrangements to pay Miss R now I've issued my final decision, if it hasn't already done so.

my final decision

For the reasons given, I've decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 31 January 2019.

Nimish Patel
ombudsman