

complaint

Mr C complains that Bank of Scotland plc ("BoS"), mis-sold him and his late wife a mortgage payment protection insurance ("MPPI") policy in 1996.

Mr C has told us that he didn't need the policy but that he was told he had to take the cover.

background

Our adjudicator considered the case and did not think that BoS had mis-sold the MPPI policy to Mr and Mrs C. Mr C did not agree with this view, and asked for the complaint to be looked at by an ombudsman.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. We have set out our general approach to complaints about the sale of payment protection insurance on our website and I have taken this into account in deciding this case.

Having looked at this case with care, I have decided that this complaint should not be upheld. I have explained my reasons below:

Because the sale took place so long ago, BoS has not been able to provide much paperwork from the actual sale. I can also not know what was said to Mr and Mrs C at the time, and so I am making this decision based on the 'balance of probabilities', in other words, what is *most likely* to have happened at the time.

Both Mr C and BoS have told us that the policy was sold during a meeting and that BoS recommended the policy to them. That means that BoS had a duty to make sure that the policy was suitable for their particular situation.

I can see that only Mr C was eligible for the policy as Mrs C was a homemaker at the time. And the policy that BoS sold covered only Mr C, so it is his situation that I have mostly considered.

I can see that Mr C only took accident and sickness cover, not the more common accident, sickness *and* unemployment cover.

Mr C was working for the NHS at the time he bought the policy. So, while not certain, it seems likely that BoS recommended him to take only an accident and sickness policy. This suggests that there probably was some discussion of Mr C's circumstances and that a particular policy was selected and recommended to him.

I have not been provided with a copy of the actual policy document that applied to Mr C. But, with my knowledge of such policies, and Mr C's circumstances at the time, I think it is unlikely that Mr C would have been disadvantaged by the conditions or limitations of the policy he bought. From the information he has given us, I think that Mr C would have been able to make a successful claim on the policy if he had needed to.

I do not know how the cost of the policy was presented to Mr and Mrs C at the point of sale. BoS has told us that the policy would have cost £7.47 per month and that Mr C would have

been able to claim around £150 per month in benefit for up to 12 months. Mr C has not told us that he had any savings or detailed his other illness-cover from the time. But even if he had 12 months of cover available to him, this policy would have paid out over and above his other benefits. As Mr and Mrs C were taking on a mortgage and as Mr C was the only breadwinner in the family, I think that if he found the cost of the cover to be acceptable, he would, quite reasonably, have chosen to take it.

On balance, I do not think there is much evidence that would make me think that Mr and Mrs C bought the policy because they thought it would help them to secure the mortgage that they wanted. So I cannot safely decide that they did not know that they had a choice about buying the cover. I think it is as likely that Mr and Mrs C knew that they had a choice as that they did not.

I have looked carefully at the evidence that is available to me in this case, including what Mr C has told us about their situation at the time. I think that the policy that BoS recommended to Mr and Mrs C was suitable for their situation, and I have seen nothing that makes me think that they would have decided not to buy the cover had they received more, or better, information about it.

I appreciate that my decision will be a disappointment to Mr C, but I do not find that the policy was mis-sold to him and his late wife.

my final decision

For the reasons set out above, I do not uphold this complaint. Bank of Scotland plc does not need to pay any compensation to Mr C or the estate of the late Mrs C.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr C to accept or reject my decision before 9 November 2015.

Roxy Boyce
ombudsman