

complaint

Miss P complains that The Co-operative Bank Plc ("The Co-op") mis-sold her a payment protection insurance ("PPI") policy in 2002.

Miss P is represented by a third party.

background

This policy covered Miss P's monthly mortgage repayments if she was unable to work because she was ill or had an accident. And it covered her for unemployment. The policy would have cost her £22.93 per month and would have paid for up to 12 months if she made a successful claim.

At first our adjudicator upheld the complaint. She said that she didn't think it was made clear that the PPI policy was optional.

The Co-op disagreed with this view and provided some further information.

Another adjudicator looked at the case again. This time she didn't uphold Miss P's complaint. Miss P disagreed and so the case has been passed 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. 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 P's case.

I've decided not to uphold Miss P's complaint. I will explain why.

I don't think The Co-op recommended the policy so it didn't need to make sure it was suitable for Miss P. But it still needed to make sure it gave Miss P enough clear information so that she could decide for herself whether or not to take out the insurance.

Miss P says that she doesn't remember a conversation about PPI and she wouldn't have paid for it if she had been given a choice. She also says the documents don't show the PPI was optional. The mortgage application from the time indicates that the only condition of the mortgage was to take out building insurance. The offer goes on to say *"it is highly recommended that you consider MPPI cover.... Please refer to the enclosed leaflet...."* *...the bank have developed a productwhich we do hope you will consider..."*

From the paperwork and taking into account what the parties have said, I think that at the time Miss P would've had to say whether she wanted the PPI or not. There is nothing in the paperwork that makes me think Miss P had to take it out to get the mortgage. I think on balance it's more likely Miss P took out the PPI for the reassurance it gave her. I can see she was sent a schedule telling her how much the PPI cost after the time of the sale and I am satisfied that she could have questioned the PPI if she didn't want it.

The Co-op didn't recommend this policy to Miss P but it still needed to give her clear enough information so she could decide whether or not to take it out. Miss P says that if she had been made aware of the true cost she wouldn't have taken out the policy. I can see an

estimate of the cost was set out in the mortgage application. And Miss P was sent a schedule confirming the cost of the policy. So I think the costs were probably clear. It is of course possible that The Co-op may not have given Miss P all the information she needed at the time of the sale. But even if she had been given clearer information I don't think it would have made a difference. I still think she would have taken out the policy. I say this because:

- Miss P was eligible for the policy, and wouldn't have been affected by any of the conditions limiting the policy's main benefits. So she could have benefitted from the full extent of the cover if she needed to make a claim.
- Miss P says she was comfortable that her sick pay from her employer would have covered her outgoings and that she could have met her repayment commitments with family assistance. But I think this policy would still have been useful. It would have paid out in addition to her sick pay. And it would have paid for up to 12 months if she was made unemployed. The PPI would have meant that Miss P didn't have to rely on family for an extended period - something which isn't guaranteed. Given that her home was at risk if she had trouble making repayments, I think it is reasonable that she chose to buy the PPI for the reassurance it offered.
- There is nothing which makes me think the cost of the PPI was unaffordable.

my final decision

For the reasons I have given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Miss P to accept or reject my decision before 11 April 2016.

Nicola Woolf
ombudsman