

complaint

Mr and Mrs D say Nationwide Building Society mis-sold them two payment protection insurance (PPI) policies.

background

I attach my provisional decision of 25 February 2016, which forms part of this final decision. In my provisional decision I set out why I didn't think I should uphold Mr and Mrs D's complaint. I asked both Mr and Mrs D and Nationwide to provide any further new comments and any new evidence before I made my final decision.

Mr and Mrs D and Nationwide have confirmed they received my provisional decision and haven't provided any additional points.

my findings

I've considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. I set out in my provisional decision what I would need to think about to decide the case.

As neither Mr and Mrs D or Nationwide have provided me with any new information or evidence, I see no reason to change the findings or outcome I set out in my provisional decision. So I don't uphold this complaint.

my final decision

For the reasons I've explained, I don't uphold this complaint and Nationwide Building Society doesn't need to do anything.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs D to accept or reject my decision before 3 May 2016.

Claire White
ombudsman

Copy of Provisional Decision

complaint

Mr and Mrs D say Nationwide Building Society mis-sold them two payment protection insurance (PPI) policies.

background

Mr and Mrs D bought their first policy in 1999 at the same time as taking out a loan. They took out a £15,000 loan for debt consolidation and home improvements. The loan included an amount to pay for the policy.

In 2002 Mr and Mrs D took out another £15,000 loan and used this to repay their existing loan. Their previous policy was cancelled and they took out another policy with their second loan. Again they borrowed an additional amount to pay for the policy.

Both policies provided cover for Mr D only.

Our adjudicator didn't uphold the complaint. Mr and Mrs D disagreed with the adjudicator's opinion so the complaint has been passed to me.

my provisional findings

I've 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 Mr and Mrs D's case.

I'm currently planning not to uphold Mr and Mrs D's complaint because:

- Mr and Mrs D have said they were told they had to have PPI because of the large amount they were being loaned. And that they were told this during both sales. They've also said that during the second sale they were told that because the loans were connected they had to have PPI as this would speed up their application. But there's not much further information about what was discussed or details about the sales. This isn't unreasonable given how long ago Mr and Mrs D took out the policies. But I have to look at what I think was most likely to have happened. I've also looked at both their loan agreements which described the PPI as "optional". I accept it's possible that they may have been told they had to have the PPI because of their loan amount. But looking at everything I can't say this is more likely to be what happened. So I can't uphold their complaint because of this. I think it's more likely Nationwide made Mr and Mrs D aware the PPI was optional and that they chose to take it out.
- Mr and Mrs D have said they were advised to take out the policies. And Nationwide has said it didn't provide a recommendation for either PPI sale. Looking at what Mr and Mrs D have said about the sales, this doesn't suggest that Nationwide assessed their needs and made personalised recommendations. So I don't think Nationwide did recommend the policies to Mr and Mrs D. And it didn't have to check if the policies were suitable for them. But Nationwide still had to provide Mr and Mrs D with enough information so they could decide if they wanted the policies.
- The cost of the policies was shown on Mr and Mrs D's loan agreements. This included the amount of the premiums, the interest payable on the premiums and the total cost. The monthly amount they paid for the policies was also detailed separate to the monthly loan repayment amount. So I think it's likely Mr and Mrs D would've understood how much the PPI policies would have cost if they'd kept the policies for the full loan terms.

- Mr and Mrs D paid for their policies up front (because they were added to their loans). So I've also looked at what would've happened if they repaid their loans early. And I can see that Mr and Mrs D would've received a proportionate refund of the money they paid up front. So they wouldn't have lost out if they repaid their loans early. And I can see both loans were repaid early.
- Mr and Mrs D have said that they had good employee benefits. Mr D in particular had worked for the same employer for many years at the point he took out the policy and he's said he had very good sick pay benefits. But these were non advised sales so Nationwide didn't have a responsibility to ask questions to decide if the policies were suitable for Mr and Mrs D. It was for Mr and Mrs D to decide if they wanted the policies and as explained above, I think it's more likely they did.
- It's possible Nationwide didn't point out the main things the policy didn't cover. But it's unlikely Mr D and Mrs D would've been affected by any of these if Mr D needed to claim.

I've taken into account Mr and Mrs D's comments, including what they've said about Mrs D being on maternity leave when they took out the second policy. But whilst I accept this was a joint loan (so they were both responsible for the repayments) Mr D was the person covered by the policies not Mrs D. So having thought about everything they've said, including this, I'm not currently able to uphold their complaint.

Mr and Mrs D have also said they've had other PPI refunds, but I'm looking at the two sales in question. And in the individual circumstances of these sales, I don't think Nationwide mis-sold these policies.

cancelling their policies

Mr and Mrs D have said they are also unhappy because they tried to cancel their policies (whilst the loans were still running) and weren't able to. They've said they tried to cancel their first policy during a financial review meeting, as they felt they had good employee benefits and couldn't. And they've said they were told this again when they tried to cancel the second policy. But they've not been able to provide much further detail about what was discussed at either point. This is understandable given the events in question took place a considerable time ago. But I need to take this into account when looking at their complaint.

Nationwide has said it has no records of Mr and Mrs D attempting to cancel their policies. It's said it has no contact records for the 1999 loan, which again isn't unreasonable given how long ago the sale took place. Nationwide has given me a copy of a financial review summary from December 2000. This document says that income protection is of low importance because of their employee benefits. But there are no details about this being in relation to PPI on their loan and this document also doesn't detail any discussion about their existing PPI or an attempt to cancel it. Nationwide has also given a copy of the limited contact notes it has in relation to the 2002 PPI sale and there also aren't entries about Mr and Mrs D trying to cancel their policy.

Whilst I don't doubt that Mr and Mrs D are providing honest recollections, I have to bear in mind this was a very long time ago. And I have limited details from either Mr and Mrs D or Nationwide about what may have been discussed in relation to cancelling PPI during this time period. So I can't say it's likely Mr and Mrs D tried to cancel either policy and were stopped by Nationwide. And I'm not planning to uphold this part of their complaint.

Nationwide's investigation of their complaint

Mr and Mrs D are also unhappy with how Nationwide investigated the complaint. They've said Nationwide asked Mr D some questions and he felt under pressure to answer. And that Mr D asked them to call again and speak to Mrs D which they didn't do. The notes Nationwide have given aren't very detailed, and I don't know exactly what was said during the phone call. But in any event, I don't

think Mr and Mrs D have lost out because of how Nationwide investigated their complaint. I don't think it's caused them unnecessary trouble or upset.

my provisional decision

For the reasons I've explained, I don't plan to uphold this complaint unless I get any new information that makes a difference from either Mr and Mrs D or Nationwide Building Society by 29 March 2016.

Claire White
ombudsman