

complaint

Mr W says Argos mis-sold him a payment protection insurance (PPI) policy with a store card. That business's full name is Home Retail Group Card Services Limited ("HRG Cards").

When selling insurance HRG Cards was an appointed representative of Home Retail Group Insurance Services Limited ("HRG Insurance"). So HRG Insurance is responsible for the sale of the PPI – and for answering Mr W's complaint about that.

background

I issued a provisional decision explaining why I didn't think I should uphold Mr W's complaint about the sale of his PPI policy. I've attached a copy of my provisional decision – and it forms part of this final decision.

I asked Mr W and HRG Insurance to let me know if they had anything more to say.

Mr W – through his representative – had nothing to add. And HRG Insurance also told me it had nothing to add. As both sides have responded to my provisional decision, I'm now issuing my final decision.

my findings

I've re-considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

As Mr W and HRG Insurance haven't made any more comments, or sent me any more evidence to look at, I haven't changed my mind about the outcome of this complaint.

my final decision

For the reasons given above and in my provisional decision, my final decision is that I don't uphold Mr W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 11 April 2016.

Dawn Griffiths
ombudsman

COPY OF PROVISIONAL DECISION

complaint

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Mr W has also complained that late payment charges were added to his store card account and that a default was put on his credit file. But HRG Cards would still be responsible for answering Mr W's complaint about that – because those are lending activities and it was the lender.

I know an adjudicator has already given an opinion on Mr W's complaint about the default charges. As Mr W hasn't responded to that opinion we've assumed he no longer wants to pursue that complaint. But, if he decides he *does* now want to continue it, we will have to set that up as a separate complaint against HRG Cards.

My decision is *only* going to deal with Mr W's complaint about the sale of PPI – which is correctly set up against HRG Insurance.

background

In 2005 Mr W applied for a store card in a shop. When he called HRG Insurance's representative a couple of weeks later to let them know he'd safely received his card, they advised him to buy PPI.

The PPI cost 99p for each £100 Mr W owed on his card account each month. If he was off work sick or lost his job it would pay 15% of his outstanding balance – until he went back to work or the balance was paid off. It would also pay off the balance if he died, was diagnosed with a critical illness or became a carer.

Our adjudicator upheld Mr W's complaint – because she didn't think it would've been made clear enough during the telephone call that he had a choice about buying the PPI.

HRG Insurance disagreed. It said Mr W would've been made aware he had a choice and would have been asked if he agreed to buy the PPI.

my provisional findings

I've considered all the available evidence and arguments to provisionally 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 Mr W's case.

I don't intend to uphold this complaint. I realise this won't be the outcome Mr W hoped for.

I know Mr W has said he didn't ask for, or want, the PPI – but he hasn't been able to give a clear account of how it was sold to him, or what happened. From what I've seen, I'm satisfied he bought the PPI over the phone soon after he got his store card.

HRG Insurance doesn't have a recording of that call – but it's given us a script it says its representative would've used. I think this is likely to give a fair picture of what Mr W would have been asked, and told. And, looking at the contents of the script, I think he would've understood that he was being asked to make a choice about buying the PPI.

Given what we know about HRG Insurance's sales process and culture – and after listening to calls made using similar scripts – I don't think Mr W would have been made to feel he had to buy the PPI. And I think the PPI would only have been added to his account if he'd agreed to it.

As HRG Insurance advised Mr W to buy the PPI I've also thought about whether it was right for him. From what he's told us, I think it was.

Mr W's told us he was working and in good health when he took the PPI out. He didn't have any sick pay, or savings – and it's likely he'd have quickly found it hard to make his account payments if he was too sick to work, or lost his job. So the PPI offered him potentially useful cover.

I know Mr W did get into difficulties paying his account anyway – but that was some time after the PPI was sold. I haven't seen anything to suggest he couldn't afford the PPI when he first took it out.

I've also looked at the information HRG Insurance gave Mr W. I think it could've done more to make the cost of the policy clear to him – and I can't be sure it properly explained all the things the PPI didn't cover. But it doesn't look like Mr W would have been affected by any of the main limits to what the policy covered.

All of this means that I think Mr W would still have taken the policy out – even if he'd been given more, or better, information about it. So he isn't worse off as a result of anything HRG Insurance did wrong – and there's nothing it needs to do to put things right.

my provisional decision

For the reasons I've explained, I don't intend to uphold Mr W's complaint against Home Retail Group Insurance Services Limited.

Dawn Griffiths
ombudsman