

complaint

This complaint concerns the sale of a two regular premium payment protection insurance (PPI) policies. Mr K purchased the insurance in connection with loans in 2007 and 2009. Mr K said that he was mis-sold the policies by Voyager Alliance Credit Union Limited (Voyager)

background

I issued my provisional decision in August 2014, a copy of which is attached and forms part of this final decision. In my provisional decision I explained why I did not uphold Mr K's complaint. I invited both parties to let me have any further comments before I reached my decision.

Voyager had nothing further to add.

Mr K responded with further details about the sales process and said that he was told by a work place representative to select the insurance as he would stand a better chance of getting the loan. He has also said that if he had known of the medical exclusions he would not have ticked yes.

Mr K has also said that Voyager were late with providing paperwork so that he could make a claim and as a consequence he was unable to make a claim.

my findings

I have carefully considered Mr K's new information. Unfortunately I have no evidence of any conversation which may have taken place between Mr K and a representative from his work place. But there is nothing in the insurance documentation which suggests that taking the insurance would assist with the loan application.

As I have already explained in my provisional decision, information about pre-existing medical conditions was prominently displayed. I consider it unlikely Mr K would not have seen this information.

If Mr K is unhappy about Voyager not meeting his claim he should make another complaint.

The information provided makes no difference to my provisional decision so I see no reason to alter the conclusions I set out in my provisional decision. I do not uphold Mr K's complaint.

my final decision

For the reasons set out in my provisional decision I do not uphold Mr K's complaint or make any award against Voyager Alliance Credit Union Limited.

Paul Bishop
ombudsman

COPY OF PROVISIONAL DECISION

complaint

This complaint concerns the sale of a two regular premium payment protection insurance (PPI) policies. Mr K complains that he was mis-sold the policies by Voyager Alliance Credit Union Limited (Voyager)

my provisional findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. I have also taken account of the relevant regulatory rules and guidance as well as the law and good industry practice at the time the PPI policy was sold.

The relevant considerations in this case are materially the same as those set out in our well established general approach to complaints about the sale of PPI which is published on our website. The key questions I need to consider therefore are:

- Whether in giving any advice or recommendation Voyager took adequate steps to ensure that the product it recommended was suitable for Mr K's needs.
- Whether Voyager gave Mr K information that was clear, fair and not misleading in order to put him in a position where he could make an informed choice about the insurance he was buying.

If there were shortcomings in the way in which Voyager sold the policy, I then need to consider whether Mr K is worse off as a result; that is, would he have done something different – eg: not taken out the policy - if there had been no shortcomings in this case.

basis of sale

There appears to be uncertainty about the sales process for the insurance. Mr K has said that the sale took place during a meeting whilst Voyager has said the sale would have taken place via email or by post. In a later submission Voyager have pointed out that both loan agreements were signed by Mr K at his home address and witnessed by his neighbour. They were then posted to Voyager. This does indicate that at least one part of the process took place via post. Both parties also dispute whether Mr K received advice from Voyager. However as neither the sales process nor the matter of advice impacts on my provisional decision I have not reached a finding on either.

was the optional nature of the policy made clear?

Having examined the documentation provided by Voyager I can see that both loan applications for the insurance have options to accept or decline the insurance. The loan agreements for both loans also have clear options to accept or decline the insurance. Although the 2007 loan does not explicitly state that the insurance is optional I consider that by requiring active selection the optional nature of the insurance was clear. The 2009 agreement states that the insurance is optional.

On balance I consider that the optional nature of both insurance policies would have been clear to Mr K.

Was clear information provided?

The terms of the policy stated that the consumer would not be covered for accident and sickness claims if they resulted from existing medical conditions. Mr K suffered from a pre-existing medical condition which may have meant him being off work and needing to make a claim. Mr K has said that Voyager were aware that he had a pre-existing medical condition. The adjudicator upheld the complaint because they thought that the terms of the policy relating to pre-existing medical conditions were not made clear to Mr K.

Having examined the documentation provided by Voyager I disagree with the adjudicator.

The 2007 application states:

'The policy excludes any medical condition or disease that you know about, or should reasonably be aware of on the start date of the loan, or any medical condition for which you have received treatment, or advice for or were referred for investigation during the 12 months immediately before the start date and which recurs within the 12 months of the start date will not be covered'

This information does appear in slightly smaller text than the rest of the information but it is not significantly smaller to mean it is unreadable or would be missed. It also appears before the options to select or decline the insurance.

The 2009 application states:

'Please be aware of the following significant policy exclusions:

Generally you will not be covered for claims arising from anything that you already know about or which is caused by deliberate acts on your part. Any medical condition or disease that you know of, or should reasonably be aware of on the start date, or any medical condition for which you have received treatment, or advice or were referred for investigation during the 12 months immediately before the start date and which recurs within 12 months of the start date will not be covered.'

This information appears in the middle of the application form and before the options to select or decline the insurance.

Based on the evidence provided I consider that the information relating to pre-existing medical conditions was presented clearly to Mr K and enabled him to make an informed decision about the insurance he was buying.

My provisional decision is not to uphold Mr K's complaint.

my provisional decision

For the reasons given above I am minded not to uphold the complaint. Voyager Alliance Credit Union Limited and Mr K should write to me by (free date) with any further submissions they wish to make.

Paul Bishop
ombudsman