

## **complaint**

Miss and Mr P complain that Money Wise Independent Financial Advisers Limited mis-sold payment protection insurance (PPI) to them.

## **background**

In 2003 Miss and Mr P took out a joint mortgage through Money Wise. At the same time they were sold PPI to protect repayments in the event of Mr P suffering disability or unemployment. Mr P told us that he had been told that the PPI was necessary in order to be accepted for a mortgage. But he had been in a secure job with benefits and savings.

As we have already explained to Miss and Mr P, our power to consider this complaint is limited. We are only able to consider complaints about sales of PPI before 14 January 2005 (the day insurance mediation became regulated) if the seller was covered by one of our predecessor schemes at the relevant time, or if the seller was already in our compulsory jurisdiction and the event complained about was ancillary to a regulated activity at the time.

Money Wise was a member of the Mortgage Code Compliance Board (MCCB) in 2003, which means that complaints could be considered by one of our predecessor schemes, the Mortgage Code Arbitration Scheme (MCAS). However, under the Transitional Order which gave us power to consider such complaints, we can only do so to the extent that MCAS could have done. MCAS could only consider complaints about breaches of the MCCB's Mortgage Code. So we too can only consider the complaint as regards whether there was a breach of the Mortgage Code: not in the rather wider way we can consider most complaints.

Our adjudicator recommended that the complaint was not upheld. Miss and Mr P disagreed with our adjudicator's view and asked for the matter to be looked at again. So it has been passed to me for review and a final decision.

## **my findings**

I've considered all the available evidence and arguments to decide whether or not there was a breach of the Mortgage Code. The only requirements under the Code when providing information about insurance products such as PPI was to give the following:

- A description of any insurance services which could be arranged.
- Whether it was a condition of the mortgage that such insurance be taken out and whose responsibility it was to ensure that was it taken out;
- Whether it was a condition of the mortgage that such insurance be arranged by the business; and
- A general description of any cost, fees or other charges in connection with the mortgage which may be payable by the customer (including insurance premiums).

Unfortunately, but not surprisingly when the PPI sale took place so long ago, we only have a limited number of documents available relating to that. However, we do have:

- An application form for the PPI signed by Miss and Mr P (though it clearly states the cover is to be single for Mr P only). It includes details of the monthly premium and the monthly cover, and a checklist of key issues affecting eligibility for the cover.

- A "Provision of Mortgage Information Checklist". That list includes the importance of mortgage PPI and whether any insurances are a condition of the mortgage. Yes has been typed against both of those, and Miss and Mr P have both signed the form.
- The initial insurance certificate, again showing that only Mr P was covered at that point. It also shows that the first three months' cover had been free, and says what the monthly cost would be after that.

While none of those says explicitly that the PPI was optional, nor does any of them contain anything to suggest that taking PPI was a condition of the mortgage or would assist in getting it agreed. And the application form certainly shows that (although it was a joint mortgage) it wasn't a requirement for both applicants to have cover. The checklist indicates that Miss and Mr P had been given information about whether or not any insurance was a requirement of the mortgage.

In cases like this, where the evidence is incomplete or contradictory, I have to make my decision on the balance of probabilities – that is, to decide what is most likely to have happened.

I know that Mr P is sure he was led to believe he needed to have PPI to get the mortgage. But over time it would be easy to mis-remember simply being told about the potential benefits of PPI as suggesting it was necessary to get the mortgage finance. And I couldn't expect Miss and Mr P to have a clear memory of exactly what had been said 14 years ago. Furthermore it looks as though what Miss and Mr P would have been told was that they could have the PPI free for the first three months. So while I appreciate that Mr P is giving the best account he can of what he remembers, without other evidence I don't think I have adequate grounds to conclude that Money Wise failed in its duty to give Miss and Mr P information about whether it was a condition of the mortgage to have the PPI.

And I can see from the application form that they were told about the cost of the PPI.

So overall I don't think I have adequate grounds to conclude that there was a breach of the Mortgage Code, and I cannot uphold this complaint.

### **my final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss and Mr P to accept or reject my decision before 22 January 2018.

Hilary Bainbridge  
**ombudsman**