complaint

Mr W says Bank of Scotland Plc (then Halifax) mis-sold him a payment protection insurance (PPI) policy.

To keep things simple, I've used Bank of Scotland throughout.

background

Mr W bought the policy in 2001 at the same time as taking out a loan. The loan included an amount to pay for the policy.

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

my findings

I've considered all of the available evidence and arguments to 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've decided not to uphold Mr W's complaint. I'll explain why.

Mr W has said that the PPI policy was added to his loan without his knowledge.

Bank of Scotland disagrees.

I don't *know* what was and wasn't discussed during the meeting in which the policy was sold. But I've seen a copy of Mr W's loan agreement. On this there was a section called *"protecting your repayments"*. And in that section he had the opportunity to say yes *or* no to PPI by signing next to one he wanted. Mr W signed next to 'yes' - the option to take the policy.

So it's difficult for me to say the policy was added to Mr W's loan without his knowledge. I think it's more likely Mr W chose to take the policy knowing it was optional.

Bank of Scotland recommended the PPI to Mr W - and given his circumstances at the time, I think it was suitable for him.

Mr W has told us that he had only been working for 3 months when he bought the policy – and having looked at the policy terms, he needed to be working for at least 12 months before being able to make an unemployment claim.

But given the length of Mr W's loan, and the fact that there's nothing to suggest he planned to change his job after taking the policy out, I don't think this made the policy unsuitable for him.

The loan agreement Mr W signed showed the cost of the policy – including the amount of the premium, the interest payable on the premium and the potential total cost of the policy. And while I can't see that the monthly cost of the PPI was made clear, I still think Mr W had enough information to understand how much the PPI would cost him had he kept the policy for its full term. I also think that Mr W could've afforded it.

Mr W would've received a limited refund of the PPI premium if he cancelled the policy early. I don't know if Bank of Scotland thought about this when it recommended the policy. But I've seen nothing at the *time of sale* to suggest he thought he would repay the loan early. So I don't think this made the policy unsuitable.

It is possible Bank of Scotland didn't point out the main things the policy didn't cover. But it's unlikely Mr W would've been affected by any of these.

I have also taken into account what Mr W said in response to our adjudicator's assessment about being made redundant in 2007. But as the policy was sold in 2001 and looks like it was cancelled when he repaid his loan early, this point doesn't change my conclusion.

my final decision

For the reasons set out above, 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.

Morgan Rees
ombudsman