

## **complaint**

This complaint concerns a regular premium payment protection insurance ("PPI") policy, sold to cover a mortgage in 2005. Mrs and Mr H say that Santander UK Plc ("Santander") mis-sold the policy.

## **background**

Our adjudicator concluded that the policy was not mis-sold and therefore did not uphold Mrs and Mr H's complaint. Mrs and Mr H don't agree with this view.

## **my findings**

I've considered all 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 Mrs and Mr H's case.

I've decided not to uphold Mrs and Mr H's complaint.

Mrs and Mr H say that they were sold the PPI at a meeting. I proceed on this basis.

*were Mrs and Mr H given a fair choice about whether or not to buy PPI?*

Mrs and Mr H complained (amongst other things) that they did not realise that the policy was optional and felt pressurised that they had to agree to take out PPI in order to get the loan. They have also said that the policy was not suitable as they had adequate alternative cover in place. In response to our adjudicator's view, Mrs and Mr H have provided us with a copy of the mortgage application which they empathise makes no mention of PPI.

Santander says that the PPI was not a condition of the mortgage and that Mrs and Mr H made an informed choice to take out PPI knowing it was optional. It says that the policy was suitable. It has been consistent about this.

Mrs and Mr H have not provided any detailed recollections of the sales process. This is understandable as the sale took place over several years ago now. I also note that Mrs and Mr H have not been consistent about what they say happened. For example Mrs and Mr H have told us that they felt pressurised to take out PPI in order to get the loan. But they have also told us that they did not agree to take out the PPI at all. It seems to me that Mrs and Mr H may no longer have a clear recollection of the sales process. As time has gone by their memories may have faded.

So, I've also looked to the available documents from the time in addition to what Mrs and Mr H and Santander say to help decide what is likely to have happened in this case. I have seen a copy of a document headed "*Customer Profile*". At the top of the document that the "*interview type*" has been recorded as "*face to face branch interview*". The document records an assessment of Mrs and Mr H's demands and needs. I think it likely that this document was completed at the meeting between Mrs and Mr H and Santander when the PPI was sold. I think it likely that following a discussion about the PPI, Mrs and Mr H's answers were used to fill out the form. Within this document, I can see that in the section entitled "Paymentcare" the following has been written "*I would like to protect my monthly*

*mortgage and related outgoings against Accident, Sickness or Unemployment*". I can see Mrs and Mr H's signature on the bottom of this form.

I have also seen a copy of what looks like Mrs and Mr H's schedule of cover and letter. I can see that Unemployment cover only had been selected.

I have also seen a copy of Mrs and Mr H's Mortgage Offer document within which I can see that the PPI was referred to as optional. Whilst I don't know if Mrs and Mr H would have seen or read this information, I have not seen anything in the mortgage offer or other documentation that made me think that the PPI was compulsory.

I accept that there is nothing in Mrs and Mr H's mortgage application about them taking out PPI. But there is nothing in the documentation or other evidence that I have seen to make me think that Mrs and Mr H were not given a fair choice about whether or not to take out the policy. So, weighing the evidence against the recollections of Mrs and Mr H, I don't think there is sufficient evidence to safely reach the conclusion that the policy was sold without their knowledge, that it was compulsory or that they were pressurised to take the policy out.

*was the policy suitable?*

Mrs and Mr H have said that they were advised to take out the PPI. Santander accepts that it recommended the PPI to Mrs and Mr H (and therefore had a higher responsibility to check if the PPI was suitable for Mrs and Mr H). I note that the policy included unemployment cover only and that Mr H benefited from 100% of the cover. And I have seen no evidence to make me think that the policy was unsuitable. I say this for the following reasons:

- I think Mr H was eligible for the policy. And I don't think that he would have been caught by any significant exclusions and limitations to the extent that they might have put Mrs and Mr H off taking it out. At the time of sale, Mrs and Mr H have told us that they were employed and confirmed that they were not suffering from any medical conditions. But as the policy provided unemployment cover only, I do not think any pre-existing conditions are relevant as they were not excluded under the unemployment element of the policy.
- I can see that Mrs and Mr H have said that they didn't need the policy and stated that they had sick pay from their employers and had existing cover in place. But this doesn't mean that Mrs and Mr H didn't have a need for the policy. I have seen no evidence that there was duplication in cover or evidence to make me think that the policy would not have paid out in addition to and for longer than their existing benefits.
- I haven't seen anything to make me think that Mrs and Mr H couldn't have afforded the policy or needed to keep costs down.
- The PPI was flexible as it could be cancelled at any time.
- Mrs and Mr H have told us that they had some savings that they could have used in the event Mr H lost his job. But I do not conclude that Mrs and Mr H did not have a need for cover. It seems to me that Mrs and Mr H would inevitably have other household expenses to meet in the event that Mr H lost his job. And any savings would inevitably only last for a limited period of time. I also note that when Mrs and Mr H took out their mortgage, they chose not to use these savings to reduce their borrowing. This suggests to me that they didn't want to use their savings and the PPI would have enabled Mrs and Mr H to continue to protect these.

- Mrs and Mr H had just taken on a large financial commitment and the PPI was intended to remove the additional pressure of paying the mortgage at what might be a difficult time financially. I think it would have given them additional peace of mind in relation to an important financial commitment, if Mr H became unemployed.
- Mrs and Mr H have also said that they could have relied on family or friends to make the repayments if need be, but I do not consider that this would not have been guaranteed – people's circumstances change and I don't consider this to be a reliable alternative source of income.

*was the information provided clear, fair and not misleading?*

Santander also had to ensure that the information it provided to Mrs and Mr H was clear, fair and not misleading. As I can't be sure precisely what information Mrs and Mr H was given at the time of sale, I accept that it is possible there were failings in the information provided to them during the sales process.

But it doesn't necessarily follow that I will uphold this complaint. I have to be satisfied that these shortcomings would have made a difference to their decision to take out the policy. But for the same reasons that I don't think the recommendation was unsuitable for Mrs and Mr H, I don't think additional information would have put them off buying the policy.

As they had some need for cover, even if their information needs weren't fully met, I think it more likely than not that they would still have taken out the policy.

### **my final decision**

For the reasons set out above, my final decision is that I do not uphold Mrs and Mr H's complaint against Santander UK Plc.

Under the rules of the Financial Ombudsman Service, I am required to ask Mrs and Mr H to accept or reject my decision before 12 November 2015.

Marie Shenton  
**ombudsman**