

## **complaint**

Mrs R complained that she was mis-sold a store card payment protection insurance (PPI) policy. Financial Insurance Company Limited ("FICL") has taken responsibility for this complaint.

## **background**

Mrs R bought the policy in June 2003 when she took out a store card. Mrs R and FICL agreed that the sale took place in-store, and that Mrs R wasn't advised to take the PPI. Mrs R said the PPI was added to her card without her knowledge and consent.

The policy cost £1.00 for each £100 Mrs R owed on her store card. If she'd successfully claimed on the policy for accident, sickness or unemployment, each month it would've paid out 15% of what she owed on the card when she stopped working. This would've carried on until she returned to work or the balance was cleared. The policy also included price and purchase protection cover.

Our adjudicator thought FICL could've explained the PPI cost and benefits more clearly. But he didn't think this would've changed Mrs R's decision to take the PPI. So he didn't uphold the complaint.

## **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 R's case.

I've decided not to uphold Mrs R's complaint.

FICL sent us a copy of Mrs R's store card application. From this I can see that she signed the form – separately from her signature for the credit - to say that she wanted to take out the PPI. So I think Mrs R most likely knew about the PPI, and decided to take it. I think she probably just doesn't remember doing so because it was so long ago.

FICL didn't advise Mrs R to take out the PPI. But it should still have given her enough information for her to decide if the policy was right for her. I think FICL could've explained the cost and benefits more clearly, but I don't think this would've affected Mrs R's decision to take out the policy.

The sale took place in a store so I can't know how the salesperson explained the policy. The cost of the policy was shown on the application form as a penny in the pound of the monthly balance. And there's a reference to a separate document with more details. But I don't have a copy of this. I have a copy of the PPI policy, but FICL said that this would've been sent out *after* the sale. So it's not clear what information Mrs R would've had when she took out the card and PPI. I also can't say whether the salesperson clearly pointed out the main things the policy doesn't cover. But I don't think Mrs R would've been affected by any of these.

Mrs R told us that, when she took out the policy, she would've been entitled to sick pay from her employer of six months' full pay and six months' half pay. She also said that she could've

relied on her partner to help out if she couldn't work. However, her partner's circumstances could've changed so that help may not have been possible. On balance, I think Mrs R could've found it difficult to make the card repayments once her sick pay reduced or if she lost her job. So I think the PPI could've provided a useful benefit.

Overall, although I don't think FICL fully explained the policy, I'm not satisfied that Mrs R would have acted differently – and not taken out the PPI – if it had. It would've provided valuable protection for her if she couldn't work. This means Mrs R isn't worse off as a result of what FICL did wrong, so there's nothing it needs to do to put things right.

### **my final decision**

For the reasons I've explained, I've decided not to uphold Mrs R's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 25 January 2016.

Jan Ferrari  
**ombudsman**