

## **complaint**

Mr H complains that he was mis-sold a payment protection insurance (PPI) policy, when he bought a car.

London General Insurance Company Limited (LGI), the insurer, didn't actually sell the policy to him, but has accepted responsibility for the sale and so for this complaint. To keep things simple, I've referred just to LGI in this decision.

## **background**

Mr H bought a regular premium PPI policy in 2004, when he took out a loan to buy a car. The policy was to meet the repayments on the loan if Mr H was off work owing to injury or illness, or lost his job. It also gave him life and other cover.

Mr H has raised various issues about how the policy was sold to him. These include that he says he wasn't told it was optional, and it wasn't explained. He complains that he didn't know he had it until much later. And he says he didn't need, ask for or agree to buy PPI.

Our adjudicator who looked at his complaint felt it shouldn't be upheld. But Mr H doesn't agree, so it's come to me to decide.

## **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 Mr H's case.

I've decided not to uphold Mr H's complaint. I'll explain why.

*was Mr H given a choice whether or not to have the PPI?*

From what we've been told, I think the sale probably took place face to face, at a car dealership. But I've not got any notes or records of that meeting. So I don't know what was discussed. I have to decide what's most likely to have happened and been said, based on the few documents I've been given from the time and what Mr H and LGI have been able to tell us about the sales process. In particular, I've looked at the loan agreement Mr H signed.

Mr H says he wasn't told he had any choice about whether to take out PPI. But the loan agreement has a specific section dealing with PPI, separate from the rest of the financial information. The wording in that section refers to the PPI as 'optional'. And it includes a box to be ticked if the customer wants to buy PPI. The copy I've seen has a tick in that box. And in the place where the name of the person to be covered by the PPI is to be put in, if the customer's buying it, I see that Mr H's name has been typed in. And Mr H has signed the agreement.

The tick looks as if it's been computer-generated. But apart from the car registration data, all the other information that had to be added, including Mr H's details, has been put in electronically too. So I think the salesman was probably filling the agreement in on screen during the discussion with Mr H, and that it's likely he put the tick in then.

Mr H has said he doesn't think the box was ticked when he signed the agreement, and that the tick has been added later. And that's possible. But on balance, I think it's more likely that he signed with the tick already there. And that this reflected what he'd discussed with the salesman, even if he doesn't recall that now, many years later. If it didn't, and it wasn't what he wanted, he could've said so and declined to sign the agreement.

So overall, in my view Mr H was probably made aware he didn't have to buy the PPI. And I think he decided to take it out, knowing he had a choice.

*was the information he was given good enough?*

Mr H says LGI didn't recommend the policy to him. And I've not seen anything to show me clearly that it did. So I don't think LGI had to find out about his particular circumstances, and make sure the policy would meet his needs. He had to decide that for himself.

But LGI still had to give him good enough information about the cost and key features of the policy, so he could make an informed decision whether to buy it.

As I've said, I don't know what was discussed about PPI in the meeting, if anything. Mr H doesn't feel he was given good enough information about it. LGI thinks he will've been. So I've looked at what the documents tell us about that.

Dealing first with the cost of the PPI, I see the monthly premium was set out in the loan agreement. So in my view Mr H had enough information to know what the policy was going to cost him, when he agreed to have it.

The agreement refers to separate terms and conditions, telling him more about the PPI. And LGI says he'll have been given written details about it, before he agreed to buy it. But I don't know what, if anything, he actually got - or when - or whether he had a chance to read it. So based just on what I've seen, it's possible the information LGI gave him about the policy's main features wasn't as clear as it should've been.

But I don't think getting better information would've made any difference to his decision to take it out. I say this because, having looked at the policy and considered what I've been told about Mr H's circumstances at that time, I think he was probably eligible for it. I don't think any of the main things it didn't cover would've put him off buying it. I've not seen anything to suggest he couldn't afford it. And I think it could've been useful for him.

I've taken into account that Mr H says he had some sort of incapacity or disability cover through his job. And that he had some 'limited' savings. But he tells us he would've only got statutory sick pay, if he was off work ill. And the PPI benefits would've been on top of any sick pay or redundancy payment, leaving that and his savings available for other purposes.

He's also said he might've been able to borrow from his parents. And I've thought about that. But situations can change, sometimes suddenly and unexpectedly, and I don't think he could've been sure they'd be able and willing to help him out, when he needed it.

It was a large loan, over quite a long period (54 months). The benefits under the policy could've been worth much more than it cost him. And as he was paying for the policy monthly, he could've cancelled it if his circumstances changed or he didn't want it anymore.

Having weighed up all of these things, on balance I think Mr H would probably have still bought the PPI, even if he'd had clearer information. That means he's not lost out because of anything LGI did wrong. And there's nothing LGI needs to do to put things right.

I know Mr H feels strongly and will be disappointed by this outcome. And I've thought very carefully about the points he's raised. But based on what I've read and been told, I don't think I can fairly and reasonably say the PPI was mis-sold to him.

**my final decision**

For the reasons I've explained, I'm not upholding Mr H's complaint. So London General Insurance Company Limited doesn't have to do anything more.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 4 May 2016.

Chris Langford  
**ombudsman**