

## **complaint**

Mr and Mrs T have complained that they were mis-sold a mortgage payment protection insurance ("MPPI") policy in 1996. Bank of Scotland plc trading as Halifax ("Bank of Scotland") has taken responsibility for this complaint. The policy was set up to cover Mr T only.

## **background**

One of our adjudicators looked at this complaint and thought that it shouldn't be upheld.

Mr and Mrs T disagreed with the adjudicator's opinion, so the complaint has been passed to me to consider.

## **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 this case.

I've decided not to uphold this complaint and I'll explain the reasons for this.

Firstly, I've looked at whether Bank of Scotland made it clear to Mr and Mrs T that they had a choice about whether or not to take out the policy. I reach my decision on the balance of probabilities; what I consider is most likely to have happened in light of the available evidence and the wider surrounding circumstances.

This sale took place in 1996, and because so much time that has passed since the sale, the usual information I would expect to see is no longer available. Bank of Scotland has been unable to provide us with copies of the paperwork. This is entirely understandable because the sale happened so long ago and I've drawn no negative conclusions from it.

Equally, although I'm sure that Mr and Mrs T have given us their honest recollection of what happened, I must bear in mind that memories can fade over time. It would be surprising if anyone could remember accurately something that happened almost 20 years ago.

I've carefully considered what Mr and Mrs T have told us about the sale of the MPPI, but on balance, without stronger evidence about what took place, I don't think I can fairly say that Bank of Scotland failed to make it clear to them that they had a choice about taking out the policy. So I can't uphold their complaint on this basis.

Next I've looked at whether the policy was suitable for Mr and Mrs T. They have complained that they were unable to benefit from the MPPI when Mr T was off work and they tried to claim on the policy. They haven't been able to provide us with details about this. Again, given the time that's passed this is entirely understandable.

The policy was set up to cover Mr T, because Mrs T wasn't in paid employment at that time. There were rules about who could qualify for the policy and based on the information that's been provided to us, it looks like Mr T met those rules. So it looks like he would have been able to claim on the MPPI if he'd needed to.

I've also checked the main exclusions and restrictions of the policy and it doesn't look like Mr T would've been caught out by any of them.

Mr and Mrs T told us that although they had no savings to call upon, if Mr T was too ill to work, he was entitled to full sick pay for the first six months and half pay for six months thereafter.

But I don't think this is enough for me to say the MPPI wasn't suitable. If Mr T was too ill to work or was made unemployed, the policy would've covered the mortgage repayment and given peace of mind and security at a difficult time. It would have paid out for up to 12 months.

It would have allowed them to use any sick pay for other necessary household expenses. So overall, I think that the policy was suitable for them. It also appears to have been affordable for them.

Based on the information that's available, it's not clear why Mr and Mrs T weren't able to benefit from the MPPI when they tried to claim. However, it appears that the policy was suitable for them when it was sold.

Mr and Mrs T can if they wish complain about the MPPI not paying out when they tried to claim on it. They would need to take up this complaint in the first instance with the provider of the policy cover as a claims, rather than mis-sale, complaint. If they don't agree with the response, they would be able to bring that second complaint to this service.

Finally, Bank of Scotland had to give Mr and Mrs T information that was clear, fair and not misleading so they could make the decision for themselves about whether or not to take the MPPI.

It's possible that Bank of Scotland didn't give Mr and Mrs T clear enough information about the cost, benefits, main exclusions and restrictions of the policy. But for the reasons I've already explained above, I don't think that Mr T would have been affected by the main exclusions and restrictions. And the cost was comparable to the cost of other, similar policies available at the time. So on balance, I don't think having better information would have put them off taking out the MPPI.

### **my final decision**

For the reasons set out above, I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs T to accept or reject my decision before 11 April 2016.

Katrina Hyde  
**ombudsman**