

complaint

Mr and Mrs Z say Bank of Scotland plc (trading as "Halifax") mis-sold them a payment protection insurance (PPI) policy.

background

Mr and Mrs Z bought the policy in 1997 at the same time as taking out a loan in a Halifax branch. The loan included an amount to pay for the policy. The policy covered Mr Z only.

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

my findings

I've considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

The relevant issues to take into account are the same as those set out in the note on our website about our approach to PPI complaints.

I've decided not to uphold Mr and Mrs Z's complaint because:

- Mr and Mrs Z's loan application form gave them the option of taking out or declining PPI. Mr Z signed in the 'yes' box to select PPI. So I think Halifax made Mr and Mrs Z aware the PPI was optional and that they chose to take it out.
- Halifax recommended the PPI to Mr and Mrs Z, but it doesn't look as if it was unsuitable for them based on what I've seen of their circumstances at the time. Mr and Mrs Z can't remember if they were entitled to sick pay from their employers at the time of the sale. But even if they were entitled to some sick pay, PPI would've paid out in addition to this and possibly for longer. So I think Mr and Mrs Z would've found PPI useful.
- I think Halifax could've explained the cost of the policy better than it did. But even if it had, I think Mr and Mrs Z would've still bought it.
- Mr and Mrs Z would've received a limited refund of the PPI premium when they cancelled the loan early. I don't know if Halifax thought about this when it recommended the policy or explained the situation clearly to Mr and Mrs Z. But I've seen nothing to suggest they thought they would repay this loan early. So I don't think better information about this would've stopped them buying it.
- It's possible Halifax didn't point out the main things the policy didn't cover. But it's unlikely Mr Z would have been affected by any of these.

I've taken into account Mr and Mrs Z's comments. But these points don't change my conclusion.

my final decision

For the reasons set out above, I don't uphold Mr and Mrs Z's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs Z to accept or reject my decision before 29 January 2015.

Sandra Greene
ombudsman