

complaint

This complaint is about a loan payment protection insurance ('PPI') policy taken out in 2008. Mr S says Glasgow Credit Union Ltd mis-sold him the PPI.

my findings

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

Both parties are in agreement that a phone call took place during this sales process.

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 S's case.

I've decided the policy wasn't mis-sold because:

- Due to the time that's passed since the sale took place, Glasgow Credit Union Ltd can't provide a recording of the phone call. They've shown us example system 'screen shots' that they say would show that the adviser would have been required to presented PPI as optional before getting consent to take it out. But as the dates on the screenshots are after the date when this PPI policy was taken out, I've not relied on them when coming to my decision.

What I have seen and relied on are copies of some of the paperwork completed at the time of sale.

In particular, I've seen a copy of a '*Demands and Needs Statement*'. This document outlines that Glasgow Credit Union Ltd recommended accident, sickness and unemployment insurance but Mr S chose not to accept the recommendation and instead chose to take out accident and sickness only PPI.

Mr S has signed the form to indicate that he's declining the recommended cover and instead going ahead with accident and sickness cover.

I've not seen evidence to support what Mr S has said about PPI being mandatory to get the loan he was applying for.

On balance, I think Glasgow Credit Union Ltd made it clear that Mr S didn't have to take out the PPI and he chose to take it out – although I can understand why he might not remember this now.

- Glasgow Credit Union Ltd recommended the PPI to Mr S so it had to check that the PPI was right for him – and based on what I've seen of his circumstances at the time, I think that it was. For example he wasn't affected by any of the exclusions to or limits on the PPI cover and he seems to have had a need for the cover.
- It's possible the information Glasgow Credit Union Ltd gave Mr S about the PPI wasn't as clear as it should've been. But he chose to take it out - so it looks like he wanted this type of cover. And it seems like it would have been useful for him if something went wrong. It also looks like it was affordable. So I don't think better information about the PPI would have put him off taking out the cover.

I've thought about everything Mr S has said - including what he's said about not needing PPI because of his sick pay entitlement. But after six months, Mr S's sick pay entitlement would have decreased to half pay. This PPI policy could have potentially paid out for up to 24 months per claim. So I think that Mr S had a need for the policy as there was a gap in his existing provision and these points don't change my decision.

I've also thought about the commission Mr S paid on his policy – and whether Glasgow Credit Union Ltd treated him unfairly.

Glasgow Credit Union Ltd has told us that the commission for Mr S's policy was less than half of what he paid for each premium. We've looked at how Glasgow Credit Union Ltd has been working this out and based on what we've seen it looks like it's right – Mr S's commission was less than half the cost of the policy.

As that's the case, I don't think it needed to tell him about the commission – so I don't think Glasgow Credit Union Ltd treated him unfairly. This means it doesn't need to pay Mr S back any of the commission he paid for the PPI.

my final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr S to accept or reject my decision before 4 February 2019.

Daniel O'Shea
ombudsman