

## **complaint**

Mr and Mrs T complain that Yorkshire Building Society (YBS) mis-sold them a mortgage payment protection insurance (MPPI) policy.

## **background**

This complaint is about a monthly premium MPPI policy taken out in 1987. Mr and Mrs T had taken out a mortgage with YBS in 1986 when it did not offer MPPI. In 1987 YBS sent a mailshot to mortgage customers, including Mr and Mrs T, offering them MPPI. For those customers applying before a stated date (about a month later), the first month's premium would be waived. Mr and Mrs T complain that because of the offer YBS had put them under undue pressure to take out the MPPI sooner than they otherwise would have done.

Our adjudicator did not uphold the complaint. Mr and Mrs T disagreed with the adjudicator's opinion so the complaint has been passed to me.

## **my findings**

I have considered all of the available evidence and arguments from the outset, in order to decide what is fair and reasonable in the circumstances. In doing so, I have taken into account any relevant regulatory requirements, the law and good industry practice at the time the policy was sold.

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.

From the evidence I have seen I don't think that YBS recommended the policy to Mr and Mrs T, so the key question I need to consider is:

- Did YBS give Mr and Mrs T information that was clear, fair and not misleading in order to put them in a position where they could make an informed choice about the insurance they were buying?

If the answer to this question is no, then I need to consider whether Mr and Mrs T are worse off as a result. That is, would Mr and Mrs T be in a less favourable position than the one they find themselves in now, had there been no problems with the sale?

I have decided not to uphold Mr and Mrs T's complaint. I've set out my reasons below.

Mr and Mrs T already had a YBS mortgage when they received the mailshot about MPPI. It should therefore have been clear to them that the MPPI was not a condition of their mortgage and that it was optional. But Mr and Mrs T are complaining that because of the free offer, this effectively meant that the MPPI was not optional. In order to take advantage of the waiver of the first month's premium – for them, a sum of £11.25 - Mr and Mrs T believe that YBS put them under pressure to apply for MPPI before the offer expired. They have said that although they wanted MPPI, they would have applied for it later if it had not been for the offer and the fact that YBS said that this might not be repeated.

Although I recognise that Mr and Mrs T feel that the YBS offer left them no option but to apply for MPPI when they did, I am afraid that I cannot agree that they were put under undue pressure to do so. YBS did nothing wrong in offering its customers an introductory discount.

The mailshot included a separate application form, a personal premium quotation and a document summarising the main benefits and exclusions of the policy. The decision about whether or not to proceed at that time was then entirely down to Mr and Mrs T. Having considered the advantage of securing one month's premium waiver against the disadvantage of applying sooner than they otherwise would have done, Mr and Mrs T decided to apply within the offer period. Overall, I think YBS made Mr and Mrs T aware that the PPI was optional and that they chose to take it

YBS didn't recommend the policy to Mr and Mrs T, so it didn't have to check whether it was suitable for them. But even if it had recommended the policy, I don't think it was unsuitable based on what I've seen of their circumstances at the time. Mr and Mrs T satisfied the eligibility requirements of the policy when taking it out and the cost of the policy was clearly communicated to them in the initial mailshot. In addition, their circumstances do not suggest that they would have been caught by any of the conditions limiting the policy's main benefits.

It's possible the other information YBS gave Mr and Mrs T about the MPPI wasn't as clear as it should have been. But they chose to take out the policy and so appear to have wanted this type of cover.

In summary, I think Mr and Mrs T agreed to take out the cover knowing they didn't have to. And given that it provided broadly what I think they expected when they agreed to it, I do not think they would have made a different decision (and decided against taking it out) if they had been better informed.

#### **my final decision**

For the reasons set out above, I do not uphold Mr and Mrs T's complaint.

June Brown  
**ombudsman**