

complaint

Mr B complains he was mis-sold a payment protection insurance policy ("PPI") with a hire-purchase agreement by Arnold Clark Automobiles Limited ("Arnold Clark").

background

Mr B took out a hire-purchase agreement in January 2008 to buy a car. At the same time he was sold a monthly premium PPI policy. The policy provided Mr B with life, accident, sickness and unemployment cover. The policy would've paid his monthly repayments for up to 12 months for each claim for accident, sickness or unemployment. The life cover would've settled the outstanding balance of the agreement in the event of Mr B's death.

Mr B and Arnold Clark agree the policy was sold in a meeting, but they disagree on whether the sale was advised. I've looked at all the information and I don't think Arnold Clark advised Mr B to buy the policy. In particular, I note that the declaration Mr B signed on the PPI application form says *"I understand that in purchasing this product a personal recommendation has not been made."*

Our adjudicator didn't uphold the complaint as he didn't think there was enough evidence to say Arnold Clark mis-sold the policy. Mr B has disagreed with his opinion.

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 B's case.

Having done this, I've decided not to uphold Mr B's complaint for the same reasons as our adjudicator.

Arnold Clark sent us Mr B's PPI application, which shows the cost of PPI and the loan repayment set out separately. Two boxes were available for Mr B to sign – one to accept the policy and one to decline it. Mr B accepted the policy by signing the box to say he wanted it and completed the direct debit mandate. So, I think Mr B knew the policy was optional and he wanted to buy it.

During the sale, Mr B says he was put under pressure to take out PPI as the sales person kept talking about it. Arnold Clark doesn't agree. As I wasn't at the meeting, I can't be sure exactly what was said. But, having looked at the other evidence available, I haven't seen enough to say that Mr B was pressured.

I can see the price of the policy isn't set out under the heading "*statement of price*" on the PPI application form. But, the policy price is clearly disclosed above the customer declaration, which Mr B signed to accept the policy. So, overall, I think Mr B would've understood the cost of the policy when he agreed to it.

Mr B said he didn't need the policy as he had a full-time job which would've paid him if he was on sick leave in full for 36 weeks followed by half pay for 16 weeks. He also said he had more than 12 months' worth of savings. But, as it was a non-advised sale, it was for Mr B to decide whether he wanted the policy in the light of his circumstances. And I've already explained why I think Mr B opted for the policy, despite his generous sick pay and savings. So I think Mr B most likely felt the policy offered him potentially useful benefits, covering his repayments if he was unable to work and allowing him to use his sick pay and savings to meet his everyday expenses.

In summary, I think Mr B chose to take the policy, knowing the cost and despite his alternative means. He was eligible for the policy and he wasn't caught by any of the main limitations, so whether or not these were made clear to him at the point of sale, I don't think would've made any difference to his decision. It follows that I don't uphold this complaint.

my final decision

It is my final decision that I don't uphold this complaint, for the reasons set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 13 November 2015.

Clair Bantin
ombudsman