

complaint

Miss O and Mr P complain that they were mis-sold mortgage payment protection insurance (MPPI) by Nationwide Building Society in 1998, 2000 and 2002.

background

I issued my provisional decision in February 2016. A copy of this is attached and forms part of this final decision.

In my provisional decision I explained why I wasn't intending to uphold Miss O and Mr P's complaint. I invited all parties to let me have any further comments and information before I reached a final decision.

Nationwide accepted my provisional decision. Miss O and Mr P didn't accept it and provided some further comments.

my findings

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

Having considered all of the evidence, I've reached the same conclusions as set out in my provisional decision and for the same reasons.

In reply to my provisional decision, Miss O and Mr P expressed their disappointment. They said that they hadn't seen the relevant 'new' evidence that Nationwide had submitted amending the 'original decision'. But Nationwide hadn't submitted medical evidence. They had just informed us that Miss O and Mr P had said to them that, before the sales, Miss O had had the medical conditions referred to in my provisional decision.

As I explained, my final decision turns on whether I think Miss O's medical situation before the sales would've affected their decision to buy the MPPI. This is why I gave Miss O and Mr P the opportunity to submit any evidence to show it might've done so before I make my decision. And they've not sent me anything further.

So, although I know it's disappointing for Miss O and Mr P after such a long time, I'm unable to uphold their complaint.

my final decision

My final decision is that I don't uphold Miss O and Mr P's complaint against Nationwide Building Society.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss O and Mr P to accept or reject my decision before 8 April 2016.

Richard Hill
ombudsman

Copy of Provisional Decision

complaint

Miss O and Mr P complain that they were mis-sold mortgage payment protection insurance (MPPI) in 1998, 2000 and 2002.

background

Miss O and Mr P took out a series of mortgages and on three occasions bought MPPI cover. They say they weren't given a choice whether to take the MPPI or not. And they say they had other duplicating cover.

Nationwide say they presented the MPPI to Miss O and Mr P as optional and didn't duplicate any other cover they had.

Our adjudicator partially upheld the complaint. He believed that on balance he couldn't say any of the MPPI was presented as a requirement of taking out the mortgages. And he didn't think the MPPI duplicated any other cover they had at the time. He did however note that Miss O had a pre-existing medical condition at the time of the sales. And he felt that Miss O and Mr P's attention wasn't sufficiently drawn to the fact that there was an exclusion related to this in the policies.

Neither party accepted the adjudication and both asked for an ombudsman to consider the case.

my provisional findings

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

Firstly I will look at whether Miss O and Mr P knew they had a choice in buying MPPI on each occasion they took it out.

On this I am minded to agree with our adjudicator for the following reasons.

There is nothing on the application paperwork I've seen to show that the MPPI was presented as compulsory.

Miss O and Mr P's testimony is that they got the mortgages and bought the MPPI policies through meetings with Nationwide. And they say that Nationwide 'advised them strongly' to take the MPPI and 'inferred' they had to have it in their various discussions.

I acknowledge how Miss O and Mr P may've felt at the time. But I think it is more likely than not they were told they *should* have it and not that they *must* have it. And so I agree with our adjudicator that there isn't enough evidence for me to decide that Miss O and Mr P were made to take the MPPI without a choice in doing so.

The second part of Miss O and Mr P's complaint is that they had other insurance cover that the MPPI duplicated. Our adjudicator listed all the insurance policies and the dates they had them in his view, so I won't repeat that here.

I've reviewed all of these, including the life assurance, critical illness, and income protection cover and the various types of MPPI between 1998 and 2007. And I agree with our adjudicator that there was no time when the insurances duplicated or that they didn't have separate value and benefit for Miss O and Mr P. So I can't uphold this part of the complaint.

Our adjudicator thoroughly reviewed each of the sales of the MPPI and concluded that Miss O and Mr P were eligible for the MPPI and the policies were suitable for them. However he also saw that Miss O

had pre-existing medical conditions before the first sale. And he felt that the exclusion of claims relating to them wasn't sufficiently highlighted in the information they were given.

While I agree about the lack of information provided in the sale by Nationwide, I've a different view about the pre-existing medical conditions. In my opinion the illnesses Miss O had, namely cystitis and ovarian cysts, whilst undoubtedly unpleasant at the time, were treated and controlled conditions. And therefore I don't think they would've been sufficient to prevent Miss O and Mr P from buying the MPPI at the times they did. So although there may've been failings in the way the MPPI was sold, I don't believe Miss O and Mr P have been affected by that.

So, I know this will be a disappointment for Miss O and Mr P, especially after so long a case, but on the basis of what I've seen up to this point, I don't believe I can uphold their complaint.

my provisional decision

I am minded not to uphold Miss O and Mr P's complaint against Nationwide Building Society.

Richard Hill
ombudsman