

complaint

Mrs O has complained about a mortgage payment protection insurance (MPPI) policy that Financial Insurance Company Limited (FICL) sold her in 2001.

At the time I issued my provisional decision FICL, as the insurer, had agreed to take responsibility for this complaint. But AXA France IARD has now taken on that responsibility instead. To keep things simple, I'll refer to AXA France IARD as the seller in the rest of my decision, where previously I would have referred to FICL, although neither actually sold the PPI.

background

I issued a provisional decision on 28th October 2019, where I concluded that I was minded to not uphold Mrs O's complaint. I have attached this to the end of my findings as it forms part of my final decision.

In summary, I found:

- Mrs O applied for a store card in 2001. At the same time a PPI policy was added. The policy covered her against accidents, sickness and unemployment.
- I concluded the PPI policy was more likely than not presented as optional to Mrs O. I could see from the sales documentation provided that it was more likely put across as an optional requirement and Mrs O agreed to have it during a phone call.
- There may have been shortcomings in the way AXA France IARD sold the policy. But after careful consideration I could not conclude that these possible shortcomings would have affected Mrs O's decision to take the policy.
- I was unable to conclude that Mrs O would have necessarily declined the policy if the information she had received would have been any clearer.
- Mrs O had a medical condition but I didn't think this would have put her off from having the cover as it didn't impact on her day to day life at that time.
- I concluded that I was minded to not uphold her complaint and invited comments on this from both parties.

my findings

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

Both parties have not provided any further information for me to consider.

As neither party has raised any further points, I see no reason to depart from my conclusion given within the provisional decision. So I conclude that the policy was not mis-sold and I do not uphold Mrs O's complaint.

my final decision

My final decision is that I do not uphold Mrs O's complaint and I do not make any award against AXA France IARD.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs O to accept or reject my decision before 24 January 2020.

Mark Richardson
ombudsman

Copy Provisional Decision

complaint

Mrs O says Financial Insurance Company Limited ("FICL") mis-sold her a payment protection insurance (PPI) policy.

It's been agreed in this case that FICL, as the insurer, should take responsibility for the complaint. To keep things simple, I'll refer to FICL as the seller in my decision although it didn't actually sell the PPI.

background

This complaint is about a store card PPI policy Mrs O took out in August 2001. It was added to her account during a phone call.

The adjudicator thought that Mrs O's complaint should be upheld. FICL disagrees, so Mrs O's complaint has been passed to me to decide.

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.

We've set out our general approach to complaints about PPI on our website and I've taken this into account when deciding this case.

I've provisionally decided not to uphold Mrs O's complaint and I'll explain why.

FICL have said the sale took place during a phone call but haven't been able to provide a recording of the phone call or any notes taken at the time – this isn't surprising considering the sale took place many years ago. So I don't know for sure how PPI was presented to Mrs O or what was said.

I've thought carefully about everything Mrs O has told us. But I also have to consider that because the sale took place so long ago, memories can fade over time. I've also taken into account what we know about how FICL sold these policies around this time and everything we've seen in the past.

I think, on balance, it's likely FICL would have made it clear that the PPI was optional and Mrs O would have been asked for her consent to the cover during the call. I've not seen enough to conclude otherwise.

FICL didn't recommend the PPI policy to Mrs O. So it didn't have to take steps to make sure the policy was suitable for her. But it had to give Mrs O good enough information about the policy for her to decide if she wanted it or not.

It's likely the information FICL gave Mrs O about the PPI wasn't as clear as it should've been – including the costs and benefits of the policy. But based on what I know about Mrs O's circumstances it looks like it could have been useful to her. She was eligible for it. And I don't think better information would've stopped her buying it.

I say this because the PPI policy would've paid 15% of the outstanding monthly balance for up to 12 months for unemployment, accident or sickness. So it would've paid out in addition to any sick pay she had and potentially for longer, and on top of any redundancy pay if she lost her job. So I think Mrs O could've found this policy useful should she have become unable to work or unemployed. There's nothing to show me Mrs O couldn't afford the policy. And if she no longer wanted it she could've cancelled it at any time, without further cost.

I also don't think she'd have been affected by any of the main things that might've made it more difficult for her to make a successful claim. Mrs O says she had a medical condition at the time of sale and so any terms relating to this could have been something she needed particularly clear information about. Our service has recently contacted Mrs O to find out more about her condition to see whether the term given in the policy for pre existing medical conditions was of significance to her or not. Mrs O has recently said her condition didn't affect her ability to work, she took medication for it and she didn't have any time off by the date of sale because of this. So I think on balance, if she had received clearer information about the policy terms concerning pre-existing medical conditions, I think she would have taken the policy anyway. I don't think they would have put her off from having the cover.

So I don't think better information would've stopped Mrs O from buying the policy and although I know it will be a disappointment to Mrs O I don't think she was mis-sold PPI.

my provisional decision

For the reasons set out above, I don't currently intend to uphold Mrs O's complaint.

Mark Richardson
ombudsman