

complaint

This complaint is about a store card payment protection insurance (PPI) policy taken out in 1997 over the phone. Mr W says AXA France IARD ("AXA") mis-sold him PPI.

background and summary to complaint

The background and circumstances leading up to this complaint, which includes Mr W's circumstances at the time of the sale as well as the PPI policy benefits, limitations and exclusions of cover, aren't disputed. So I haven't repeated all of this information here.

Our adjudicator did not uphold the complaint.

Mr W's representative disagreed with the adjudicator's opinion – they didn't raise any new or additional points but repeated the same complaint points and arguments they'd previously made.

As the complaint couldn't be resolved informally, it has been passed to me for a final decision.

my findings

Although I have only included a summary of the complaint, I have read and considered all the evidence and arguments available to me from the outset, in order to decide what is, in my opinion, fair and reasonable in all the circumstances of this complaint.

When considering what is fair and reasonable, I am required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

We've set out our general approach to PPI mis-sale complaints on our website and published some example final decisions that set out in detail how these relevant considerations may apply to PPI sales like Mr W's. I haven't set out that detailed information here but I've taken into account all relevant considerations in deciding Mr W's complaint.

Having done so, I've decided not to uphold this complaint and I've summarised my reasons for this conclusion below:

- I think, on balance, AXA made it clear that Mr W didn't have to take out the PPI and he chose to take it out. I say this because given that the policy was sold after the account had already been opened, I don't think Mr W would have been under the impression he had to have PPI.
So while AXA no longer has the call recording, transcript or sales script relating to the sale, in the absence of persuasive evidence to the contrary, I think Mr W likely chose to take out PPI and did so without undue pressure.
- AXA didn't recommend the PPI to Mr W - so it didn't have to check that the PPI was right or suitable for him. But it did have to give Mr W enough clear and timely information so he could decide for himself if it was right for him.

- It's possible the information AXA gave Mr W about the PPI wasn't as clear as it should've been. But I've found that he chose to take it out - so it looks like he wanted this type of cover. The cover wasn't fundamentally wrong for Mr W – for example he was eligible for the cover and he wasn't affected by the significant exclusions on or limits to the cover such as those for existing medical conditions or unusual employment circumstances. And I don't think it wasn't too dissimilar to what he reasonably thought he was buying from the information he was likely given during the phone call. It also looks like it was affordable – so it seems like it would have been useful for him if something went wrong. Because of this I don't think Mr W would have declined the cover had AXA done anything more.
- While the policy contained limitations on claims relating to back and mental health conditions, in light of Mr W's circumstances at the time of sale and despite its limitations and exclusions, the policy wasn't fundamentally wrong or unsuitable for him. So I think he would have still thought he had some good reasons to take the policy out.

Overall, I consider that Mr W would have still taken out PPI. The policy was sufficiently close to what it's likely he thought he was getting and I think the policy could provide a useful benefit in a difficult time, given his circumstances at the time. And in those circumstances, I think that he would have taken out the policy in any event.

Mr W's representative has raised a number of what I consider to be general complaint points, which it says apply to all PPI complaints. These general points include: a claim that the Financial Ombudsman Service is not correctly applying the regulator's rules and guidance for handling PPI complaints; these policies represented poor value because of the number of significant exclusions and limitations of cover coupled with the low claims ratio; and the duty of utmost good faith meant AXA should have disclosed the poor value and explained the significance of the limitations and exclusions and the impact it had on the chances of making a claim.

But Mr W's representative has not said how these points apply to the specific facts and circumstances of Mr W's individual complaint – just that they apply to all PPI complaints.

I have thought about these things and how they might apply in Mr W's particular case. But these points don't persuade me to alter my conclusions about what is fair and reasonable in all the circumstances of the complaint – for the reasons I've set out above I don't uphold this complaint.

This means AXA doesn't have to do anything to put things right.

my decision

Overall, having considered all the evidence and arguments to decide what is, in my opinion, fair and reasonable in all the circumstances of this complaint and for the reasons I have set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 24 September 2021.

Paul Featherstone
ombudsman