

complaint

Mr C has complained that Bank of Scotland plc (BoS) mis-sold him a credit card payment protection insurance (PPI) policy.

background

Mr C took out the PPI in November 2001 at the same time as he arranged the credit card in branch.

Our adjudicator didn't uphold the complaint. Mr C disagrees with the adjudicator's opinion and so the complaint has been passed to me for a decision.

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 Payment Protection Insurance on our website and I've taken this into account in deciding this case.

I've decided not to uphold Mr C's complaint and I'll explain why.

Mr C says he didn't know anything about the PPI and therefore it must have been automatically added to the credit card account without his knowledge or consent. The credit card application form has a separate section for insurance. There is a pre-printed cross in the box to request PPI. From what we know of BoS's sales processes at the time, I think there would have been a discussion about PPI and that the cross would only have been entered in the box if Mr C said that he wanted the policy. The relevant section of the application form also has the option to select another insurance product, but the box next to that has been left blank to decline it. If, as Mr C has said, the adviser automatically added the PPI to his account, I might have expected him to end up with all of the available insurance options.

The sale happened a long time ago, so it wouldn't be surprising if Mr C's recollection of the sale has faded. I've thought very carefully about what Mr C has said, but looking at the evidence, I think it is more likely that the optional nature of the policy was explained. It seems to me that Mr C probably decided to buy it, knowing that he didn't have to, even if he no longer remembers doing so.

BoS advised Mr C to buy the policy. Therefore in recommending the PPI to Mr C it needed to ensure that it met his needs. And from what I know of Mr C's circumstances at the time, it was suitable for him.

Mr C's employer would have given him six months' full pay, followed by six months' half pay if he was unable to work due to accident or sickness. But the policy would have paid out in addition to this, and potentially for longer than Mr C would have received full pay for. And he hasn't mentioned having any other means, such as savings, to fall back on. So I think the policy could have provided him with a useful benefit at what would have been a difficult time.

It's possible that BoS didn't provide as much information as it should have about the policy, particularly about the things it didn't cover. But Mr C wasn't affected by any of those things.

As I think that Mr C had an interest in the PPI and decided to buy it, I don't think that further information would have caused him to change his mind.

This means that I don't think that the PPI was mis-sold. So Bank of Scotland plc doesn't have to refund everything Mr C paid for it. But Bank of Scotland plc has already offered to give Mr C back some of the cost of the PPI. I don't think it needs to do anything more.

Bank of Scotland plc will make arrangements to pay Mr C now I've issued my final decision.

my final decision

My decision is that I do not uphold Mr C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 31 January 2019.

Carole Clark
ombudsman