

complaint

Mr W complains that The Royal Bank of Scotland plc ("RBS") mis-sold him a payment protection insurance ("PPI") policy. The complaint is brought on his behalf by a claims management company.

background

This complaint is about a credit card PPI policy taken out in 2004. The policy was added to Mr W's credit card account when he applied for the card by post.

Our adjudicator did not recommend that the complaint should be upheld. Mr W disagreed. His representative said, on his behalf and in summary, that Mr W would've been able to meet his credit card repayments if he couldn't work because he was entitled to generous sick pay from his employer. He would've declined the PPI if he'd known it was optional and if the costs and benefits had been made clear.

my findings

I've considered all the available evidence and arguments to decide what is 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 W's complaint.

I've decided not to uphold Mr W's complaint because:

The credit card application form doesn't specifically say that PPI is optional. But I consider it is reasonably clear, from the need to tick a box, that it was not a requirement of applying for the credit card. And I do note from the application form that Mr W declined to take out other insurance, (card registration cover) at the same time. This suggests to me that he understood he was free to make his own choice. So, overall, I think RBS made Mr W aware that the PPI was optional and that he chose to take it – although I can understand why he can no longer remember this.

RBS didn't recommend the PPI to Mr W so it didn't have to check if it was suitable for him.

It's possible the information RBS gave Mr W about the PPI wasn't as clear as it should have been. But Mr W chose to take out the policy and so appears to have wanted this type of cover. He wasn't affected by any of the exclusions or limitations and the policy was competitively priced and apparently affordable. So I think it unlikely Mr W would have made a different decision if better information had been provided. On balance I think he would still have taken out the policy.

I've taken into account all of Mr W's comments, including what his representative said about his entitlement to generous sick pay – it's told us he would've received six months full pay followed by six months half pay. The PPI would've covered him for up to 12 months, so could've been a useful benefit in addition to his existing arrangements, particularly if he'd had a period of prolonged absence when he might only have been receiving half pay. The PPI also covered him if he became unemployed. So this doesn't change my conclusion.

my final decision

For the reasons I've explained, my final decision is that I do not 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 10 June 2019.

Elizabeth Dawes
ombudsman