

complaint

Mr C says DSG International Holdings Limited (DSG) mis-sold a payment protection insurance (PPI) policy to him, with a loan.

background

I attach my provisional decision of 4 February 2016, which forms part of this final decision.

In that provisional decision, I set out the background and circumstances of this complaint and explained why I wasn't intending to uphold it.

I asked Mr C and DSG to send me any more information or comments they wanted me to consider, before I gave my final decision.

Mr C's representatives have said they think it's unreasonable that my provisional decision differs from the earlier view of our adjudicator, without DSG having given us any new information.

But my role's to look at the complaint completely fresh and decide what I think's fair and reasonable, based on all the information we've been given by both parties at any stage. So my decision can – as in this case – be different from our adjudicator's assessment.

Other than that, Mr C hasn't sent us any more information, or commented on the provisional decision, by the deadline we'd set. And neither has DSG.

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 PPI on our website, and I've taken this into account in deciding Mr C's case.

I've not been given any new information to consider. I've reached the same conclusions as in my provisional decision, for the same reasons. So I'm not upholding Mr C's complaint.

my final decision

For the reasons I've explained, I've decided not to uphold this complaint. DSG International Holdings Limited doesn't have to do anything more.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 11 April 2016.

Chris Langford
ombudsman

Copy of Provisional Decision

complaint

Mr C says DSG International Holdings Limited (DSG) mis-sold a payment protection insurance (PPI) policy to him, with a loan.

background

In 2006, Mr C bought some goods from PC World. He took out a loan to do so, and DSG also sold him a monthly premium PPI policy. That policy was intended to meet his loan repayments if he was off work because of accident or sickness, or lost his job. It also gave him life cover.

Our adjudicator felt the policy had been mis-sold. In his view, DSG hadn't made it clear enough to Mr C that the PPI was optional. But DSG doesn't agree, so the complaint's 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 the sale of PPI on our website, and I've taken this into account in deciding Mr C's case.

I don't currently intend to uphold Mr C's complaint. I'll explain why.

Mr C and DSG are agreed that the PPI was sold face to face, in a store. I've not seen any records of that meeting, so I don't know what was said. And I've not been given a copy of the policy he bought. But I've seen the loan agreement that Mr C signed, and details of a policy DSG sold around that time. So I've had to decide what's likely to have happened, based on these and on what Mr C and DSG have been able to tell us about the sales process.

was Mr C told he had a choice, and did he choose to buy PPI?

I've looked first to see whether Mr C was told he had a choice whether or not to buy the PPI, and decided to do so. I've read the loan agreement carefully. And I see that under the heading "*Optional Payment Protection Insurance (PPI)*", it said: "*I wish to apply for Payment Protection Insurance (PPI) covering Life, Sickness, Accident and Unemployment. State if required Yes or No?*". Next to this "YES" was typed in the answer box.

Below that it said: "*If you have chosen (and been accepted for) optional PPI, then the Monthly PPI Premium will be equivalent to 16.0% of your Monthly Repayment Amount*".

It then set out details of the PPI premium and loan repayments. And beneath that, it said "*If you have not chosen (or not been accepted for) PPI, you must make Monthly Repayments even in the event of your ill-health or unemployment*".

In my view, this was enough to make it clear to Mr C that he didn't have to take out PPI.

I see that the "YES" answer was put in electronically. And I don't know when that was done. But the other personalised information - including Mr C's name and address, the goods he was buying and the details of the loan - was added in the same way. So I think it's likely all of this, including the 'YES' answer, was typed into the agreement during or after a discussion between DSG's sales assistant and Mr C. The agreement was then printed out, and Mr C signed it. So it probably reflected what they'd discussed.

As I've not seen any other records of that discussion, I don't know how the PPI was presented to Mr C. He wasn't asked to sign separately to say he wanted it. But taking out a loan is an important

decision, so I think it's likely he will've read the agreement before he signed it. I think that when doing this, Mr C would've realised that the PPI was a separate product, which he didn't have to buy. And will've known that by signing the agreement, he was agreeing to have it. He could've pointed out if this wasn't in fact what he wanted.

So, on balance, I think it's likely Mr C was aware he had a choice and that he decided to have the PPI - even if now, some years later, he may not recall doing so.

was Mr C given good enough information about the PPI?

Mr C doesn't remember whether DSG advised him to take out the policy. DSG says it didn't. I've seen nothing to show me that it did. So I think DSG's probably right. And this means it didn't have to make sure the policy was suitable for Mr C's needs. But DSG did have to give Mr C clear and fair enough information about the PPI for him to be able to decide whether to have it. And in my view this included telling him about its cost, benefits and key features.

Mr C says he doesn't recall PPI being explained to him. The loan agreement he signed told him only very briefly about it, although it did set out the monthly amount payable for it, along with the total monthly loan repayment including PPI.

I don't know what he was told about PPI in the meeting, if anything. DSG says he'll have been given written details of the policy too. But I can't be sure that he was, and if so when. And I don't know what this paperwork said, or whether he had time to read it carefully before signing the agreement. So based on what I've seen and been told so far, it's possible the information DSG gave him before he bought the PPI wasn't as good as it should've been.

But taking into account what I've been told about his situation at that time, I think it's likely that Mr C would still have decided to buy the PPI, even if he'd had better information about it.

I say this because, from what I know about him and the likely terms of the policy, Mr C would probably have been eligible for it. His loan was for quite a long time - four years. He's told us that if he was off work ill or injured he wouldn't have got anything more than statutory sick pay. His wife wasn't working. He says he had some small savings, but the PPI benefits would've been on top of these, leaving them free for other needs. And in my view it's unlikely any of the main things the policy wouldn't have covered would've put him off buying it.

By signing the form with 'YES' in the box for wanting PPI, Mr C had shown he was interested in protecting his repayments. The policy cost him only £2.76 a month. And as it was paid for monthly, he could've cancelled it if his situation changed or he didn't want it anymore.

So I think he'd have felt the PPI cover could be useful for him. And I don't think that getting clearer information would've changed his decision to buy it.

With so little information about how Mr C came to buy the PPI, it's a difficult case to decide. But based on what I've read and been told up to now, I don't think I can fairly and reasonably say it was mis-sold to him.

my provisional decision

For the reasons I've explained, I've provisionally decided not to uphold Mr C's complaint.

I invite Mr C and DSG to give me any more information or comments they'd like me to consider, before I make my final decision. These should be sent to us by the date I've indicated above.

Chris Langford
ombudsman