

## **complaint**

This complaint is about a store card payment protection insurance (PPI) policy taken out in 1996. Miss M says AXA France IARD ('AXA') mis-sold her PPI.

## **background**

The background and circumstances leading up to this complaint, which includes Miss M'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.

Miss M'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 Miss M's. I haven't set out that detailed information here, but I've taken into account all relevant considerations in deciding Miss M'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 AXA made it clear that Miss M didn't have to take out the PPI and she chose to take it out. I say this because AXA told us that Miss M took the store card in May 1994 and declined the cover at that time. AXA told us that the policy was sold over the phone in April 1996. We've seen telephone scripts from November 2003 which all suggest the optional nature of the policy would have been made clear. But the distance in time from these to the time of this sale has reduced the weight I feel comfortable placing on these. But I have considered that the time that has passed since the sale, and in the absence of any detailed testimony from Miss M to the contrary, I have seen insufficient evidence to uphold this complaint on these issues. So, it seems more likely that Miss M agreed to the PPI and did so knowing she did not have to take it.

- AXA and Miss M agree that the policy was sold without advice. So, AXA didn't have to check that the PPI was right or suitable for her. But it did have to give Miss M enough clear and timely information so she could decide for herself it was right for her.
- It's possible the information AXA gave Miss M about the PPI wasn't as clear as it should've been. But I've found that she chose to take it out - so it looks like she wanted this type of cover. The cover wasn't fundamentally wrong for Miss M. The PPI could have paid out in addition to Miss M's sick pay and for longer than her employer would have paid her at her full rate of pay. Miss M told us she would have been entitled to a payment in the event she was made redundant. But the policy would have reduced her reliance on that payment in the event she lost her job. And Miss M told us she had no savings and no other insurance she could use to make her repayments in the event of long-term ill health, or if she lost her job. Although Miss M says she had medical conditions some time before the policy was taken out, I don't think better information about the existing medical condition exclusion would've caused her to change her mind about taking out the policy. I say this because Miss M told us the conditions were tonsillitis in 1964, an abscess in 1978 and she had vertigo in the same year which cost her a week off work. Miss M has provided no detailed testimony about these conditions and there's no testimony that they had caused her ongoing issues or any time off work in the intervening 18 years from the latest condition before the sale, such that she may have thought these to be the main reason she might need to be off work for over the 30 days required to start making a claim under this policy. It also looks like the cover was affordable – so it seems like it would have been useful for her if something went wrong. Because of this I don't think Miss M would have declined the cover had AXA done anything more.
- While the policy contained limitations and exclusions on claims relating to back and mental health conditions, in light of Miss M's circumstances at the time of sale and despite its limitations and exclusions, the policy wasn't fundamentally wrong or unsuitable for her. So, I think she would have still thought she had some good reasons to take the policy out.

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

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

I have thought about these things and how they might apply in Miss M'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 Miss M’s complaint – so I make no award.

Under the rules of the Financial Ombudsman Service, I am required to ask Miss M to accept or reject my decision before 24 September 2021.

Douglas Sayers  
**ombudsman**