

complaint

Mr C complains that ACF Car Finance Limited (ACF) mis-sold him a payment protection insurance (PPI) policy.

background

In 2008 Mr C took out a loan through ACF to buy a car. ACF also advised Mr C to buy PPI.

Mr C borrowed extra to pay for the policy, which was added to his loan and was repaid, along with interest, over the term.

Our adjudicator didn't uphold Mr C's complaint. He thought ACF had made it clear to him that he had a choice about buying PPI, and that the policy cost had also been made clear. He also thought that the cover was suitable for him.

Mr C disagreed and so the complaint has come to me. This is the final stage of our process.

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 decided not to uphold Mr C's complaint.

Mr C says ACF didn't make him aware he had a choice about taking out the policy. ACF disagreed. It says Mr C decided to take out the policy knowing he had a choice.

Looking at the credit agreement, I can see that PPI was set out in a separate box along with another optional product (Motor Warranty Insurance), under the heading "*I wish to purchase...*" PPI has been selected with a tick, while Motor Warranty Insurance was not. So it looks to me like some choice was exercised. Mr C has signed this section separately, as well as signing the overall agreement.

Weighing up all the evidence, I think Mr C most likely was aware that he had a choice about taking out the policy.

Because ACF recommended the PPI to Mr C, it also had to make sure it was right for him. Based on what Mr C has told us about his circumstances, I think it was.

Firstly, Mr C was eligible for the cover and wouldn't have been affected by any of the main policy limitations, based on what I know of his circumstances.

From the information I have it doesn't look as though Mr C had any other ways of covering the monthly repayments for the car if he couldn't work. And I've kept in mind that the policy would've paid out in addition to his sick pay entitlement, leaving his work benefits free to spend on other things. So I think he had a need for the cover.

I think the cost was set out clearly on the loan agreement that Mr C signed. Under the heading "*Statement of Principle Information*", it states the premium, interest and total cost of the PPI. So I think he understood the cost and was happy with it at the point of sale. I also haven't seen any evidence that Mr C would've found it difficult to afford the policy.

According to the policy document, Mr C would've received a limited refund of the PPI premium if he cancelled the policy early. But I haven't seen anything to make me think Mr C needed more flexibility, so I don't think this made the policy unsuitable or better information about this would've stopped him buying it.

Overall, it seems to me that the policy could've been of value to Mr C, providing cover he didn't otherwise have. So I think it was suitable for Mr C.

In summary, I don't think Mr C has lost out because of anything ACF has done wrong, so there's nothing the business needs to do to put things right. It follows that I don't uphold this complaint.

my final decision

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

Under the rules of the Financial Ombudsman Service, I am required to ask Mr C to accept or reject my decision before 4 January 2016.

Clair Bantin
ombudsman