

complaint

Mrs R complains that she was mis-sold payment protection insurance ("PPI") when she entered into a hire purchase agreement to buy a car.

The PPI was sold by Stoneacre Motor Group ("Stoneacre"), however they weren't covered by this Service's jurisdiction at the time of sale. Pinnacle Insurance Plc, who are the underwriters for this policy, have taken responsibility for the sale and the complaint. To make it easier to read I'll refer to Stoneacre in my decision.

background

Mrs R took out a finance agreement to buy a car in June 2004 and bought a PPI policy at the same time. It would've covered her loan repayments for up to 12 months if she couldn't work due to illness or redundancy. It also included critical illness and life cover.

Mrs R says when she bought the car she was told in the initial meeting that it wasn't worth taking out any of the insurances. She says the next day she was told she wouldn't get the finance without PPI.

Our adjudicator didn't uphold her complaint. Mrs R disagrees, so the complaint has been passed to me to make a final 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 PPI on our website and I've taken this into account in deciding this case.

It took Stoneacre quite some time to provide a readable copy of Mrs R's credit agreement. However, I can now see that it contained a separate section titled "*optional insurance and services*" which included PPI. I don't know what exactly was said to Mrs R during her meetings and I have no doubt that Mrs R's testimony reflects her honest recollections of the sale. But I have to take into account that memories can and do fade after so many years. And looking at the form, I think it's likely Mrs R would've understood that PPI wasn't something that she had to have to get the loan.

There are tick boxes on the form with pre-printed ticks next to them to indicate where the consumer has a choice to make. And at the bottom of the form it confirms again that the consumer should tick the appropriate boxes to confirm their insurance choices. Mrs R's form doesn't have any manual ticks. The choice of product seems to be indicated with the price being added next to the relevant product.

It could be argued that as there are no manual ticks, Mrs R didn't agree to any of the products. However, in her testimony she implies that she had to buy PPI to get the loan which indicates that she knew she was taking out PPI. So whilst the form doesn't seem to be completed correctly by the sales person, I think Mrs R agreed to PPI.

I don't know if Stoneacre recommended the policy to Mrs R. I decided to treat this as an advised sale, as this puts higher obligations on Stoneacre. But it doesn't affect the outcome of the complaint.

In a recommended sale Stoneacre had to make sure the policy was suitable for Mrs R. Looking at what I know about her circumstances at the time, I think it was. I say this because:

- Mrs R was eligible for the policy
- Mrs R told us she was entitled to full sick pay, but she didn't specify for how long she would've received this benefit. However, even if I assume that she was entitled to generous sick pay, the policy would've paid out in addition to it and most likely for longer. And PPI would've covered her repayments if she lost her job. I think if she couldn't work, Mrs R would've quite quickly found it difficult to repay her loan, especially as she had no savings at the time. So I think it offered her useful protection.
- The policy included no terms which would've made it difficult for Mrs R to make a claim as they mainly related to existing medical conditions and unusual employment arrangements.
- And I don't see anything that makes me think the policy wasn't affordable to Mrs R.

For these reasons I think the policy was suitable for Mrs R.

Stoneacre also had to provide Mrs R with clear, fair and non-misleading information about the policy. Apart from the monthly premiums for PPI which were shown on the credit agreement, I don't know what other information Mrs R received. So it's possible that Mrs R didn't receive all the right information at the right time.

But more information would've only shown Mrs R that the policy was suitable for her. And so I think she would've bought the policy anyway. So I think Mrs R didn't lose out as a result of what Stoneacre might've done wrong.

my final decision

For the reasons I explained above, I'm not upholding Mrs R's complaint. It follows that Pinnacle Insurance Plc doesn't have to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 15 February 2016.

Nina Walter
ombudsman