

complaint

Mrs A says Bank of Scotland plc (trading as Halifax – “Halifax”) mis-sold her a payment protection insurance (“PPI”) policy.

background

This complaint is about a monthly premium PPI policy taken out with a secured loan in 2000.

Our adjudicator didn’t uphold the complaint. Mrs A disagreed with the adjudicator’s opinion so the complaint has been passed to me.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

The relevant issues to take into account are the same as those set out in the note on our website about our approach to PPI complaints.

I’ve decided not to uphold Mrs A’s complaint because:

- I think Halifax made Mrs A aware that the PPI was optional and that she chose to take it. Mrs A says she wasn’t made aware of the PPI and didn’t know it had been applied to her loan. But I’ve seen a copy of Mrs A’s loan agreement. This suggests that the agreement was completed following a discussion with an adviser. The agreement asked “*Do you want Personal Loan Repayments Insurance?*” The box had been checked ‘yes’ to say Mrs A did want PPI. If she hadn’t wanted it, I think the ‘no’ box would’ve been checked to refuse it. And Mrs A signed the loan agreement which has a clear section highlighting the PPI in a separate column. I’ve thought about what Mrs A has said. But I don’t think there’s enough evidence for me to say Halifax added the PPI to Mrs A’s loan without her agreement.
- I think Halifax recommended the PPI to Mrs A but it doesn’t look as if it was unsuitable for her based on what I’ve seen of her circumstances at the time. Mrs A has told me that she was entitled 6 months’ full pay, followed then by 6 month’s half pay. However, the policy paid for up to 60 months for accident and sickness, as well as 12 months for unemployment. And would’ve paid irrespective of Mrs A’s existing workplace benefits. I’ve considered where Mrs A has told me she had life insurance too, but the PPI protected her loan repayment for accident and sickness, as well as unemployment. Life insurance wouldn’t have provided her with this type of cover. The loan was also secured on her home. So I think the policy would’ve been useful to Mrs A and would’ve provided her with peace of mind if she was unable to work.
- The cost of the policy was shown on the loan agreement. So I think Mrs A would’ve understood how much she would need to pay for it.
- It’s possible Halifax didn’t point out the main things the policy didn’t cover. But it’s unlikely Mrs A would have been affected by any of these. I say this because she was employed and has told me she was in good health at the time of sale. So any exclusions relating to those who were self-employed, or who had pre-existing medical conditions

wouldn't have made any difference to her. So even if Halifax did draw these features to her attention, I don't think it would've changed her mind about the policy.

- From Halifax's records I can see that the loan was for consolidation purposes. However as this was a monthly policy it could be cancelled without penalty or charge to Mrs A if she decided to consolidate the borrowing in a further loan. I can't say therefore, that the policy recommended did not offer flexibility, when it did.

I've taken into account Mrs A's comments. But these points don't change my conclusion

my final decision

For the reasons set out above, I don't uphold Mrs A's complaint and make no award against Bank of Scotland plc.

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

Daniel Lucas
ombudsman