

complaint

Mr and Mrs W complain that Bank of Scotland plc (BoS) mis-sold them payment protection insurance ("PPI") when they took out a loan.

background

Mr and Mrs W took out a loan for home improvements in 1999. Regular premium PPI was applied to the loan at the same time. The policy covered the loan repayments in the event that Mr W was unable to work due to unemployment for up to 24 months per claim and for up to the term of the loan for absence due to accident or sickness.

Our adjudicator considered the complaint but decided not to uphold it. Mr and Mrs W disagree with this view so the matter has come to me for a final decision.

my findings

I've considered all the available evidence and arguments to decide what is 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 and Mrs W's complaint.

And having done so I don't think this complaint should be upheld, and I'll explain why.

method of sale

Both parties are agreed that BoS recommended the policy to Mr and Mrs W. That means it had to take adequate steps to ensure that the policy was suitable for his needs. BoS also had to provide Mr and Mrs W with clear, fair and not misleading information about the policy.

did BoS give Mr and Mrs W a fair choice about whether to take out the policy?

I'm mindful that this sale took place over 15 years ago. On balance, I don't have enough evidence to find that Mr and Mrs W weren't presented with a fair choice.

was the policy suitable for Mr and Mrs W's needs?

I don't know what was said to Mr and Mrs W about the policy at the time, but I think it was suitable for him because:

- i. he was eligible for it.;
- ii. Mr W says he wasn't entitled to any sick pay or redundancy pay. This policy paid out up to 24 months per claim if he became unemployed and up to the term of the loan if he was off work due to accident and sickness. I can also see that Mr and Mrs W didn't have any other means of meeting the loan repayments. So I think the PPI would've been useful to them;
- iii. Mr W wasn't caught by any of the exclusions or limitations within the policy; he told us he didn't have any medical conditions and he wasn't self-employed.

- iv. The policy was competitively priced and Mr and Mrs W haven't said they were unable to afford it.

did BoS provide Mr and Mrs W with clear, fair and not misleading information about the policy?

I don't know what information was given about the policy at the time. It's possible that clearer information could have been given about the policy. But for the reasons I've given, I think Mr and Mrs W would've bought the policy even if clearer information had been given.

I have taken Mr and Mrs W's points into account, but I don't think it would be fair and reasonable to uphold this complaint.

my final decision

For the reasons given, I am not upholding this complaint. So Bank of Scotland plc doesn't need to do anything.

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

Andrew Macnamara
ombudsman