

complaint

Mrs M complains that HSBC Bank Plc, trading as First Direct, mis-sold her a mortgage payment protection insurance ("MPPI") policy in 2005.

background

Our adjudicator explained why he did not think the policy had been mis-sold. Mrs M's representative did not agree with this, so the case has been passed to me to make an ombudsman's 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 have set out our general approach to complaints about the sale of payment protection insurance on our website and I have taken this into account in deciding Mrs M's case

Having considered this case with care, I have decided that the complaint should not be upheld. I have explained my reasons below.

Mrs M has told us that she cannot remember whether she was advised by First Direct to take the policy. But First Direct has told us that it did not recommend the policy to her. It says Mrs M spoke about the possibility of cover with one of its staff by telephone and then filled in and returned the application form that was posted to her.

The number of years that have passed since the sale means that very little of the paperwork from the time is available. This means that I will be making my decision on the 'balance of probabilities' – what is most likely to have happened.

Only the first page of Mrs M's application form has been provided to me, but I have not seen anything on it to make me think that the policy was recommended to her. This means that First Direct needed to provide sufficient information to allow Mrs M to make an informed decision about whether to buy the policy, but it did not have to ensure it was suitable for her particular situation.

As Mrs M took this policy out separately to applying for her mortgage, I think she will have known that she had a choice and could have taken the mortgage without buying the cover.

Having looked at what Mrs M has told us about her health and situation, I do not think that she would have been negatively affected by any of the policy's exclusions, limitations or eligibility criteria at the time. Indeed, Mrs M has told us that she made a successful claim on the policy when she was unwell.

I cannot know how the cover provided by the policy, including its cost, was described during the telephone conversation with Mrs M. But I can see that the cost of the policy was around £30 per month and provided £500 of cover per month for up to 12 months of a claim.

Mrs M has told us that she had employer benefits that she could have called on. But the policy would have paid out over and above her other sources of income, and as a householder she would have had many calls on her finances if she was ill or unable to work. As I have no evidence that Mrs M queried the cost, I think that the cost per month was probably acceptable to her at the time she applied for the cover. From what I have seen, I do

not think that they would have made a different decision about taking the policy even if the costs had been presented to her more clearly at the point of sale.

Overall, I think that Mrs M was probably aware that she had a choice about taking the cover, that she was not disadvantaged by any of the limitations or exclusions of the policy and that she accepted the cover offered to her. I have no reason to believe that she would have decided differently even if First Direct had done a better job of telling her about the policy.

It follows that I do not think this policy was mis-sold to Mrs M.

my final decision

For the reasons set out above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 18 February 2016.

Roxy Boyce
ombudsman