

complaint

Mr and Mrs W complain that Bank of Scotland plc ("BoS") mis-sold them a regular premium payment protection insurance (PPI) policy.

background

Mr and Mrs W were sold the PPI during a meeting with BoS in August 2003.

Although the loan was in both Mr and Mrs W's name, the policy only covered Mr W. It would've covered him for accident, sickness and unemployment.

Our adjudicator didn't uphold Mr and Mrs W's complaint.

Mr and Mrs W didn't agree with the adjudicator and the complaint has been passed to me to consider.

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 and Mrs W's case.

Having done that, I've decided not to uphold Mr and Mrs W's complaint.

I've seen a copy of the policy document that would've applied at the time of the sale and I can see that Mr W was eligible for the policy.

Mr and Mrs W say that they were told they had to have the PPI otherwise they couldn't get the loan. BoS say the optional nature of the policy was made clear to Mr and Mrs W. I can't say what was actually discussed during the meeting. So I've relied on the documents from the point of sale to help me decide what is *more likely* to have happened.

BoS have given us a copy of the signed loan agreement. I can see from this that there is a section relating to PPI. Within this section are two equally prominent boxes to either accept or decline PPI. The loan agreement shows that Mr and Mrs W chose the box to accept PPI. Although the box appears to have been printed with an "X", given that the rest of the agreement was also printed, including Mr and Mrs W's personal details, I think that this reflected what Mr and Mrs W discussed with the representative.

So, all in all, I think it is more likely that Mr and Mrs W were aware they had a choice as to whether or not to take the policy.

BoS accept they advised Mr and Mrs W to take the policy. This means they were under a duty to take adequate steps to ensure the policy was suitable for Mr and Mrs W. I can't say whether or not BoS did take all the steps as they should've but I think the policy was suitable for the following reasons:

- Mr W has told us that he wouldn't have received any pay from his employer if he was off work sick or lost his job. He has also told us he didn't have any savings. So the

policy would've been of value to him as it would've covered him for up to 12 months per claim if he lost his job and up to 60 months if he was off work sick.

- The policy appears to have been affordable for Mr and Mrs W. I say this because the cost of the policy was set out clearly in the loan agreement and the policy was competitively priced.
- Mr W didn't appear to have been affected by the terms of the policy which would've made it more difficult for him to make a claim. For example the restrictive terms relating to pre-existing medical conditions and self-employed people.
- Mr and Mrs W could've cancelled the policy early without losing out financially as they paid for the policy on a monthly basis.

I also have to consider whether or not BoS gave Mr and Mrs W information in a clear, fair and non-misleading way so that they could make a proper choice about whether or not they wanted to take the policy.

I can't say whether BoS did give all the information as they should've. But I think that even if they had given Mr and Mrs W better information, Mr and Mrs W would still have taken the policy out. I say this for the same reasons that I think the policy was suitable for them.

It follows that I don't uphold Mr and Mrs W's complaint.

my final decision

I don't uphold Mr and Mrs W's complaint against Bank of Scotland plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs W to accept or reject my decision before 9 November 2015.

Navneet Sher
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