

complaint

This complaint is about a mortgage payment protection insurance (PPI) policy taken out in 1998. Mr and Mrs G say Bank of Scotland plc (trading as Halifax) mis-sold them PPI.

Background

The background and circumstances leading up to this complaint, which includes Mr and Mrs G's circumstances at the time of the sale as well as the PPI policy benefits, limitations and exclusions of cover, aren't disputed. So I haven't repeated all of this information here.

Our adjudicator did not uphold the complaint.

Mr and Mrs G's representative disagreed with the adjudicator's opinion – they didn't raise any new or additional points but repeated the same complaint points and arguments they'd previously made.

As the complaint couldn't be resolved informally, it has been passed to me for a final decision.

my findings

Although I have only included a summary of the complaint, I have read and considered all the evidence and arguments available to me from the outset, in order to decide what is, in my opinion, fair and reasonable in all the circumstances of this complaint.

When considering what is fair and reasonable, I am required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

We've set out our general approach to PPI mis-sale complaints on our website and published some example final decisions that set out in detail how these relevant considerations may apply to PPI sales like Mr and Mrs G's. I haven't set out that detailed information here but I've taken into account all relevant considerations in deciding Mr and Mrs G's complaint.

Having done so, I've decided not to uphold this complaint and I've summarised my reasons for this conclusion below:

- I think Halifax made it clear that Mr and Mrs G didn't have to take out the PPI and they chose to take it out. Halifax has given me a copy of the PPI application form that Mr G completed and signed. This was separate to the mortgage application, so I think it was clear they were separate products. The application form had a brief description of the cover and set out what the monthly cost and benefit would be. Mr G requested the policy to be in his name only and signed to agree to take it out. And I think it's more likely he did so knowing he didn't have to take it out if he didn't want to.
- Halifax recommended the PPI to Mr and Mrs G so it had to check that the PPI was right for them. And the evidence about Mr and Mrs G's circumstances at the time, shows that the policy wasn't fundamentally wrong or unsuitable for them. For example Mr G was eligible for the cover and although he had some sick pay and savings, the policy would

have paid out for longer if he was unable to work. And it also meant he could have used his employee benefits and savings for other essential expenditure.

There was nothing about Mr G's employment or occupation which would have made it difficult for him to claim. Although Mr G says he had an injury around three years before the policy was taken out, I don't think it was wrong for Halifax to have recommended the policy to him. I say this because while Mr G did take some time off work as a result of the injury, he hasn't mentioned any ongoing or recurring issues in relation to it. So I think it's unlikely he was expecting to rely on the policy as a result of the injury in the future.

- It's possible the information Halifax gave Mr and Mrs G about the PPI wasn't as clear as it should've been. But I've found that they chose to take it out - so it looks like they wanted this type of cover. The cover wasn't fundamentally wrong for Mr and Mrs G as I concluded above, or too dissimilar to what they reasonably thought they were buying from the information they were given. It also looks like it was affordable – so it seems like it would have been useful for them if something went wrong. Because of this I don't think Mr and Mrs G would have declined the cover had Halifax done anything more.
- While the policy contained limitations on claims relating to back and mental health conditions, in light of Mr and Mrs G's circumstances at the time of sale and despite its limitations and exclusions, the policy wasn't fundamentally wrong or unsuitable for them. So I think they would have still thought they had some good reasons to take the policy out.

Overall, I consider that Mr and Mrs G would have still taken out PPI. I think the policy could provide a useful benefit in a difficult time, given their circumstances at the time. I also think the policy was sufficiently close to what it's likely they thought they were getting. And in those circumstances, I think that they would have taken out the policy in any event.

Mr and Mrs G's representative has raised a number of what I consider to be general complaint points, which it says apply to all PPI complaints. These general points include: a claim that the Financial Ombudsman Service is not correctly applying the regulator's rules and guidance for handling PPI complaints; these policies represented poor value because of the number of significant exclusions and limitations of cover coupled with the low claims ratio; and the duty of utmost good faith meant Halifax should have disclosed the poor value and explained the significance of the limitations and exclusions and the impact it had on the chances of making a claim.

But Mr and Mrs G's representative has not said how these points apply to the specific facts and circumstances of Mr and Mrs G's individual complaint – just that they apply to all PPI complaints.

I have thought about these things and how they might apply in Mr and Mrs G's particular case. But these points don't persuade me to alter my conclusions about what is fair and reasonable in all the circumstances of the complaint – for the reasons I've set out above I don't uphold this complaint.

This means Halifax doesn't have to do anything to put things right.

my decision

Overall, having considered all the evidence and arguments to decide what is, in my opinion, fair and reasonable in all the circumstances of this complaint and for the reasons I have set out above, I don't uphold Mr and Mrs G's complaint – so I make no award.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs G to accept or reject my decision before 10 October 2021.

Rebecca Norris
ombudsman