

complaint

Miss F says Bank of Scotland plc (BOS) mis-sold her a regular premium payment protection insurance (PPI) policy.

background

During a meeting in 1999 Miss F took out a credit card with BOS. At the same time she was sold a regular premium PPI policy to cover her credit card payments.

Our adjudicator didn't think the complaint should be upheld. He thought the policy would've suited her needs and didn't think there was anything to suggest that BOS hadn't presented the policy as optional.

Miss F disagreed. She says she wasn't given any information about the policy and didn't know it was optional.

So the complaint has come to me for a 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'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 this complaint.

Miss F was sold the PPI during a meeting when she applied for her credit card. BOS needed to make it clear the PPI was optional and Miss F says this wasn't done. Miss F hasn't given us much detail about what was said at the meeting to make her think this. But I think that's understandable as the PPI was sold so long ago. So I've relied more on what the documents from the time show.

I've looked at the original credit card application and agreement form sent to us by BOS and can see within section "8 Product details" it shows Miss F's choice of charity and asks whether she wants to take advantage of credit card repayment insurance or card protection. I think this could have been worded better and set out more clearly but I think it presents the PPI as optional.

From what we understand about BOS's sales process there would've been a discussion about PPI and then the application form would've been completed and printed out for reviewing and signing. I can see that an "X" has been pre-selected in the "Credit Card Repayment" box and the "Card Protection" box indicating that Miss F wants to take out the PPI and card protection. And Miss F has signed and dated the form just below. I think it's likely Miss F would've seen that these boxes were selected and if she hadn't agreed to take the products I think she would've raised this with the sales advisor. So I think Miss F would've understood the PPI was optional and it was selected on the credit card application because she agreed to take it. And based on what Miss F has told us I can't say it's likely BOS did do things to make her think the PPI wasn't optional.

This was an advised sale. What this means is that BOS not only had to provide information about PPI in a clear, fair and not misleading way so that Miss F could make an informed

choice about buying PPI. They also had to make sure that if they were to recommend PPI that the policy was suitable to her needs and circumstances.

I don't know if BOS did take all the steps they should've. But I think the policy was a suitable recommendation for Miss F for the following reasons:

- She was eligible for the policy and it doesn't look like she would've been caught by any of the main exclusions in the terms and conditions of the policy which could've made it difficult to make a successful claim.
- At the time of the sale Miss F says she was entitled to some sick pay and had savings she could use to make her credit card payments. But there's no guarantee her savings would be available if needed and the policy would've paid out on top of this and any work benefits and covered her for up to 12 months if she was unable to work due to accident or sickness or lost her job. And her credit card balance would've been paid off in the event of her death. So I think the policy would've provided a useful benefit to Miss F in her circumstances.
- There was nothing to suggest that the policy wasn't affordable to her at the time and if she decided she no longer wanted the policy she could've cancelled it.

I also need to consider whether BOS gave Miss F information in a way which was clear, fair and not misleading so that she could make a proper choice about whether or not she wanted to take the policy out. I don't think BOS did give all of the information as they should've.

But for the same reasons that the policy was suitable and based on what Miss F has told us about her circumstances at the time, I think she would've still taken out the PPI policy if she'd been given all the proper information on the policy.

This means Miss F isn't worse off as a result of any wrong doing by BOS.

my final decision

For the reasons set out above, I don't uphold Miss F's complaint against Bank of Scotland plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 5 February 2016.

Caroline Davies
ombudsman