

## **complaint**

Mr J has complained that Glasgow Credit Union Ltd (Glasgow Credit) mis-sold his payment protection insurance (PPI) policies.

## **background**

Mr J took out two loans with Glasgow Credit, one in 2007 and one in 2009. The first loan was for £4,000 and was taken out over 36 months. The insurance cost £13.86 a month. The second loan was for £3,564.93 and had to be repaid over 24 months. The insurance cost £16.22 a month.

If Mr J were unable to work due to accident or sickness the policies would have covered his loan repayments for up to 24 months per claim. If he lost his job and became unemployed, his payments would have been covered for up to 12 months per claim. Mr J's employment circumstances were the same for both sales.

Our adjudicator didn't uphold the complaint.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I think the relevant issues to take into account are the same as those set out in the information on our website about our approach to PPI complaints.

I've decided not to uphold Mr J's complaint.

Both parties have agreed that Glasgow Credit recommended the insurance policy to Mr J. Mr J has said that Glasgow Credit sold him the insurance policies during meetings. Glasgow Credit has said that Mr J bought both the insurance policies over the telephone. Mr J (via his representatives) has made a number of complaint points which suggest that he was put under pressure to buy the insurance policies and that he was made to feel that he had to have the insurance in order to improve his chances of getting his loans. He says it was not clear that the policies were optional.

Glasgow Credit has been unable to provide a telephone recording of the sales conversation. But they have provided screenshots of the script they say their advisor would have followed. The advisor is required to enter information on line as the sales call progresses. This suggests to me that it is likely the script was followed. There are on-line options for the advisor to say whether the insurance has been recommended or not and a question which directly asks, 'do you want to take out insurance for your credit union loan repayments'. The advisor is prompted to 'please make sure that all questions are answered'.

Based on the evidence provided I'm satisfied that Mr J would have understood that the policy was optional and that he chose to buy it.

Both the policies were suitable for Mr J. Mr J was in permanent work when he bought the policies. And he didn't have any pre-existing medical conditions. Mr J told us he was entitled to full sick pay. But the insurance would have paid out in addition to Mr J's sick pay. And it is likely Mr J would have had other everyday expenses to meet. Mr J had no other means to

meet his repayments. So I think he would have had difficulty meeting his repayments if he was unable to work due to accident or sickness, or if he lost his job and became unemployed.

The sales script does prompt the advisor to give the cost of the insurance. And the monthly premium for each of the insurance policies is given on both the loan agreements which Mr J subsequently received and signed. Furthermore, both the loan applications set out details of Mr J's personal expenditure. So I think he would have been able to decide if the insurance was affordable for him.

I have carefully considered all of Mr J's submissions about his complaint. In his final response to this service, Mr J, (via his representatives) has said that he was financially inexperienced. He has repeated that he was made to feel that the insurance would improve his chances of being approved for his loans. But Mr J had previously taken out a loan without insurance. So I do not think he was under this impression or that he was unfamiliar with applying for loans.

Mr J has also said that as he had been in his job for two years he was not concerned about redundancy. But I note that unfortunately he was made redundant in 2010. Mr J says his claim was declined. I don't know the reasons for this.

I'm not satisfied that Glasgow Credit adequately pointed out to Mr J all the things the policy didn't cover, or all the important exclusions and limitations. But I also can't see that Mr J was likely to be affected by these things. Because of this, I think he would still have bought both the policies, which means he isn't worse off as a result of anything he didn't know about the policies. So there's nothing Glasgow Credit Union Ltd needs to do to put things right.

### **my final decision**

For the reasons I've explained, I don't uphold Mr J's complaint.

Paul Bishop  
**ombudsman**