

complaint

Mr W says that Bank of Scotland plc (BoS) mis-sold him mortgage payment protection insurance (PPI).

background

Mr W took out a mortgage with BoS in 2005. At the same time he bought monthly premium PPI to cover his repayments if he'd been unable to work.

Mr W's representatives had a number of concerns about the sale. Amongst other things they said that he wasn't informed that it was optional and that PPI was added to his account without his knowledge or consent. BoS says that Mr W wanted PPI and that it was suitable for him.

The adjudicator didn't uphold Mr W's complaint. Mr W disagreed and so the case has come to me for a final decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of the 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 W's case.

I'm not upholding Mr W's complaint.

Although the sale of the policy happened over 10 years ago I'm disappointed that BoS couldn't give us more of the documents from the time of the sale to read. Mr W also couldn't tell us in much detail about what happened.

BoS has given us a copy of the PPI quotation it gave Mr W before he took out his mortgage. I think this shows that there were detailed discussions between BoS and Mr W about the policy. I say this because information about Mr W's existing cover, employment and health situation were recorded.

I can also see that while BoS recommended that Mr W also took out critical illness and life cover he decided not to buy these. And Mr W also signed a declaration to say that the information he'd provided for his mortgage and PPI applications were accurate.

So, I can't fairly conclude from what I've read that BoS didn't make it clear to Mr W that he had a choice. I think at the time it's most likely Mr W was aware that PPI was optional. And that he decided what cover he wanted to buy.

BoS said that it advised Mr W to buy PPI. This means that it needed to take reasonable steps to make sure that the policy was right for him. I've thought about the policy benefits, the cost of cover and the overall financial circumstances of Mr W from the time of the sale. I think it's important to note that:

- Mr W would've been eligible for the policy.
- Mr W wouldn't have been affected by the main exclusions or limitations in the policies, such as those for existing medical conditions.

- Mr W told us that he would've received six months full pay and six months half pay from his employer if he'd been unable to work. But PPI would've paid out in addition to this and would've given him cover for up to 12 months per successful claim. And he could've made multiple claims. So I think the policy would've given him peace of mind about meeting the repayments on his mortgage, which was a significant financial commitment.
- PPI would've also met Mr W's repayments on his mortgage if he'd become unemployed. So the policy provided him with other potentially useful benefits.
- The PPI was competitively priced with the policy costing about £21 per month. This was for a potential monthly benefit of £356.
- At the time the policy seem to have been affordable. The PPI was paid for by a regular premium so there wouldn't have been interest charges. And the policy could've been cancelled without penalty.

So when I weigh everything up, I think that the policy was suitable for Mr W.

BoS needed to make sure that Mr W had enough information so that he could make a proper choice about if PPI was right for him. I don't know how much detail the adviser went into during the meeting with Mr W or how things were explained.

But even if there were problems with the information and advice that BoS gave to Mr W, I don't think it would've made a difference to his decision. I think Mr W would still have bought the policy. I say this for the reasons I've already given above.

So, I've decided that in this case Mr W hasn't lost out as a result of anything BoS might've done wrong.

my final decision

For the reasons set out above, I'm not upholding Mr W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 5 November 2015.

Kevin Williamson
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