

complaint

Mr and Mrs M say Bank of Scotland plc (trading as “Halifax”) mis-sold Mr M a payment protection insurance (PPI) policy.

background

This complaint is about a regular premium PPI policy taken out with a loan in 2002. The loan was for 14 years although it was paid off in 2006. The loan was for £10,000. The monthly premium was £8.93. The monthly benefit was £86.03.

Our adjudicator didn't uphold the complaint. Mr and Mrs M disagreed with the adjudicator's opinion so the complaint has been passed to me.

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 M's case.

Mr and Mrs M tell us that the PPI was sold to Mr M during a meeting and was not an advised sale. Halifax has told us that the policy was sold in a meeting and that the sale was advised. I have looked at the case as though it was advised so hold Halifax to the higher standard of ensuring that the sale was suitable for Mr M, as well as making sure it provided them with enough information to decide if they wanted to take the policy out.

I've decided not to uphold Mr and Mrs M's complaint because:

- I have looked at the loan agreement and can see that Mr and Mrs M have signed it. Next to their signatures, the question was asked “*Do you want Personal Loan Repayments Insurance?*”. The “yes” box had been populated with an “X”. This suggests that a discussion was had with the adviser and the form was printed out with the yes box selected. Because the signature of Mr M was directly next to this question and the selected box, I think it likely that he saw that he was choosing to buy the PPI and that he agreed to it.
- Halifax has told us that it recommended the PPI to Mr M, but it doesn't look as if it was unsuitable for him based on what I've currently seen of his circumstances at the time. Although Mr M told us he had some benefits similar to the kind the PPI provided, the policy would've paid out in addition to these. Mr and Mrs M have told us that they had little savings.
- The policy wouldn't have covered Mr M for medical conditions that he already had when he took it out. If Mr M was suffering from a medical condition when he took out the policy, this *might* make a difference to whether the policy was right for him. But Mr M has told us that he wasn't suffering from any medical conditions at the time. Based on the information I've seen about Mr M's circumstances, I don't think I can say the PPI was unsuitable for him.
- I don't know how Halifax explained the cost of the policy to Mr M. So it's possible that Mr M didn't know how much it was going to cost before he agreed to buy it. But the cost

of the PPI was clearly set out on the loan agreement next to where Mr M signed to accept the loan and PPI. So I think that Mr M will have seen the cost of the PPI and decided to buy the policy when he took the loan.

final decision

For the reasons I have given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs M to accept or reject my decision before 15 February 2016.

Rebecca Haigh
ombudsman