

## complaint

Mr and Mrs T complain that they were mis-sold a payment protection insurance ("PPI") policy when they took out a mortgage with The Royal Bank of Scotland Plc ("RBS").

## background

Mr and Mrs T took out a mortgage with RBS in 2003. At the same time they were sold a PPI policy which would've covered up to 12 months of mortgage payments if Mr T was made redundant. It didn't provide accident or sickness cover.

Mr and Mrs T say they weren't given a choice about buying the policy. RBS disagree – they say Mr and Mrs T chose to buy it.

The adjudicator didn't think that Mr and Mrs T's complaint should be upheld. Mr and Mrs T disagree, so their case has been passed to me to make 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 PPI on our website and I've taken this into account when deciding Mr and Mrs T's case.

I'm not upholding Mr and Mrs T's complaint. I'll explain why.

Mr and Mrs T say that they *'felt there was no option but to take the policy.'* But they haven't explained what made them think that. They weren't too sure how the sale took place, either, saying it was *'possibly in a meeting'*. So I think their recollections of what happened during the sale may have faded over time.

RBS haven't been able to supply a copy of the application form Mr and Mrs T would've filled out for the PPI. But they've given me a sample copy of the form that was in use at the time. I'm satisfied that Mr and Mrs T would've seen and signed something like this.

The form offers Mr and Mrs T options to take the cover jointly or singly. It offers a choice between full accident, sickness and unemployment cover or just unemployment cover. It also has a section which could've been filled out which says *'I don't require payment protection.'* This is followed by two options to explain why it's not needed – that they could meet their repayments without the cover, or they already had cover elsewhere.

The PPI form is separate to the mortgage application form (which I have seen and makes no mention of a need for PPI), and Mr and Mrs T filled out a separate direct debit mandate for the premiums. Their mortgage offer letter made no mention of PPI being required to get the loan. So I think it was made clear to Mr and Mrs T that the PPI was separate to the mortgage and that they had a choice to buy it.

RBS didn't advise Mr and Mrs T to buy the policy, but they still had to make sure they gave them enough information about the policy so they could make up their minds about it. I don't know exactly what information was provided to them at the time, so it's possible Mr and Mrs T didn't receive everything they needed. But I haven't seen anything that makes

me think more information would've made Mr and Mrs T act differently and not buy the policy.

Mr T says that if he was made redundant he'd have still been receiving an occupational pension from his previous employer and he'd have used this to meet his mortgage payments. But this pension was smaller than his mortgage repayments, and Mr and Mrs T would've still had to cover their other essential expenses. So I think the policy offered useful protection.

Mr and Mrs T also point to the considerable equity they held in the property as to why they think the policy wasn't needed. But in order to release that equity Mr and Mrs T would've either had to re-mortgage (which wouldn't have been possible if Mr T was out of work), or sell the property. The PPI would've meant that this didn't need to happen.

The policy was reasonably priced for the cover it offered and I haven't seen anything which makes me think it was unaffordable for Mr and Mrs T. It also could've been cancelled at any time, so it offered flexibility.

So I think that even if Mr and Mrs T didn't get all the information needed this didn't affect their decision to buy the policy. So I don't think they've lost out as a result of anything RBS might've done wrong.

### **my final decision**

I'm not upholding Mr and Mrs T's complaint so it follows that The Royal Bank of Scotland plc doesn't have to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs T to accept or reject my decision before 15 February 2016.

Sally Allbeury  
**ombudsman**