complaint

This complaint is about a regular premium payment protection insurance (PPI) policy taken out with a secured loan. Mr and Mrs S say Bank of Scotland plc, trading at the time as Halifax, mis-sold this policy because it wasn't properly explained to them and it was added without their consent.

background

In 1995, Mr and Mrs S took out a 15 year secured loan with Halifax. At the same time they bought a PPI policy to protect their repayments in the event of Mr S becoming unable to work or losing his job.

Our adjudicator in this case said the complaint shouldn't be upheld but Mr and Mrs S disagreed so it's been passed to me for an ombudsman's 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 case.

Having done this, I've decided not to uphold Mr and Mrs S's complaint.

This policy was sold some considerable time ago and I can fully appreciate how difficult it is for Mr and Mrs S to remember exactly what happened. Very little documentation from the sale is still available, although given how much time has elapsed, this isn't surprising.

Halifax conceded that it would have recommended the PPI policy to Mr and Mrs S, so it was sold on an 'advised' basis and Halifax therefore needed to ensure the policy was suitable for them.

I've used all the information I have available and looked at Mr and Mrs S's ages, jobs, health and circumstances of the time to help me decide whether the policy was suitable.

I think Mr S - who was the one covered - was eligible for the PPI at the time and I don't think that he'd have been 'caught' by any of the major exclusions we tend to see in these types of policy.

The cost of the cover was comparable with similar policies marketed at around that time and there's no evidence to suggest the PPI monthly premiums were unaffordable for them. After such a long time, I can't say *why* Mr and Mrs S decided to take the cover. But this was a secured loan and so given the consequences for them if they couldn't keep up the payments, I can see how they could have had a use for such a policy.

Mr S told us he had some sickness protection available through his job, but taking all their circumstances in to account, I don't necessarily think this means he didn't have a need for the cover. Policies like this are there to remove the added pressure of meeting these types of payments in financially difficult times and in the event of a successful claim, the policy could have paid a monthly benefit in addition to anything Mr S already had through his work.

In their situation, I don't think the policy was unsuitable for them.

Halifax also needed to provide information that was clear, fair and not misleading so Mr and Mrs S could make an informed choice as to whether they should buy the policy. I simply can't say whether this was done because there's no documentation or evidence to refer to.

But from what I know of Halifax's procedures at the time and from what it told us, I think it's likely Mr and Mrs S would have been given the PPI policy document which explained the terms and conditions. I can't be absolutely sure they received this and I can't be sure Halifax gave clear enough information to Mr and Mrs S during any meetings it had with them.

I accept that there is information missing in this case that I would normally expect to see. But these events are over 20 years old. I think it's more likely than not that they agreed to buy this policy and I think they were suitably advised. Because of this, I can't safely say the policy was mis-sold.

my final decision

For the reasons set out above, I don't uphold Mr and Mrs S's complaint. And I don't direct Bank of Scotland plc to do anything to put matters right.

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

Michael Campbell
ombudsman