

complaint

This complaint is about loan payment protection insurance ('PPI') policies taken out with a number of different loans between 2006 and 2009. Mr G says Glasgow Credit Union Ltd mis-sold him the PPI.

my findings

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

It seems that at least some of the sales process took place during a phone call and I've also seen some paperwork signed by Mr G. As some of the paper work also has a witness signature, this suggests that it's more likely than not that the paperwork was signed in a meeting.

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 G's case.

I've decided the policy wasn't mis-sold because:

- I think Glasgow Credit Union Ltd made it clear that Mr G didn't have to take out the PPI and he chose to take it out – although I can understand why he may not remember this.

I say this because I've seen some of the paperwork that was completed around the time of each sale. In particular, I've seen the demands and needs form from each sale. This document is a series of statements, including that PPI has been recommended and Mr G has signed for each PPI policy to accept the recommendation that Glasgow Credit Union Ltd was making. So I'm satisfied that Mr G *consented* to taking out each policy.

I've also reasonably assumed that Mr G was aware that PPI was optional as I think it's more likely than not that he would have questioned what he was signing for at the point of sale if PPI hadn't been discussed.

The paperwork varies slightly as the different PPI policies were taken out across different years. But as an example, in the loan agreement for a loan taken in January 2009, Mr G has signed to accept PPI underneath a series of statements that includes *'I wish to purchase optional payment protection insurance.'*

I've considered this alongside what Mr G has said about not being aware that he had PPI. But I simply haven't seen strong evidence to support what Mr G has said.

On balance, for each sale I think that it's *more likely* than not that Mr G was made aware that PPI was optional – before he agreed to take each policy out.

- Glasgow Credit Union Ltd recommended the PPI to Mr G so it had to check that the PPI was right for him – and based on what I've seen of his circumstances at the time, I think that it was. For example he wasn't affected by any of the exclusions to or limits on the PPI cover and he seems to have had a need for the cover.

- It's possible the information Glasgow Credit Union Ltd gave Mr G about the PPI wasn't as clear as it should've been. But he chose to take it out - so it looks like he wanted this type of cover. And it seems like it would have been useful for him if something went wrong. It also looks like it was affordable. So I don't think better information about the PPI would have put him off taking out the cover.

I've thought about everything Mr G has said - including what he's said about his sick pay entitlement meaning that he didn't need PPI. Mr G has said that he was entitled to six months full sick pay. But after six months his sick pay would have decreased to half pay. The PPI could have paid out for longer than Mr G received full sick pay for. So I still think that the recommendation to take PPI was suitable and that he had a need for it.

I've also considered what Mr G's representative has said about the '*Failure to complete and return this document...*' wording on the demands and needs statement being misleading and threatening. But I think that Mr G was signing this document *after* PPI had already been discussed, he'd already agreed to take PPI and this document was confirming it. I don't think this wording in itself means that PPI was mis-sold. I've also considered this complaint point alongside what Mr G has said about not knowing that he had PPI. It's difficult to say that somebody felt threatened into taking PPI if they're also saying that they didn't know they were taking PPI.

So these points don't change my decision and I don't think that the PPI was mis-sold.

I've also thought about the commission Mr G paid on his policy – and whether Glasgow Credit Union Ltd treated him unfairly.

Glasgow Credit Union Ltd has told us that the commission for Mr G's policy was less than half of what he paid for each premium. We've looked at how Glasgow Credit Union Ltd has been working this out and based on what we've seen it looks like it's right – Mr G's commission was less than half the cost of the policy. As that's the case, I don't think it needed to tell him about the commission – so I don't think Glasgow Credit Union Ltd treated him unfairly. This means it doesn't need to pay Mr G back any of the commission he paid for the PPI.

my final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr G to accept or reject my decision before 8 February 2019.

Daniel O'Shea
ombudsman