complaint

Mr T complains that Yorkshire Building Society ("Yorkshire") mis-sold him a mortgage payment protection insurance ("MPPI") policy in 1989.

background

Mr T says he arranged his mortgage in 1976 and then re-mortgaged in 1985. He then bought a MPPI policy which started in May 1989 to protect his repayments on his mortgage. The policy was sold during a branch meeting and covered Mr T for any instances of accident, sickness or unemployment.

Yorkshire also sold him a PPI policy in a meeting in April 1989 alongside a secure loan and as Mr T also complains about this sale, I have considered it in a separate final decision (our reference 14235035).

Mr T believes Yorkshire mis-sold the policy in May 1989. He doesn't think he was made aware it was optional. He thinks he was made to believe he had to take it out. He also remembers receiving sick pay so doesn't think he needed the cover.

Our adjudicator didn't uphold the complaint. As the complainant doesn't agree with the adjudicator's opinion, the complaint has been passed to me.

my findings

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

When deciding this complaint, I have taken into account the law and good industry practice as things stood in 1989. This pre-dates the insurance codes of practice on which much of our published approach to PPI mis-sale complaints is based. But, Yorkshire still had to ensure it didn't misrepresent the policy to Mr T. Also, if they gave any advice, Yorkshire should have done so with reasonable care and skill.

I've decided not to uphold Mr T's complaint about the sale in May 1989. I will explain why:

- This has been a difficult complaint for me to consider as I haven't been able to see the sales documentation that would have been used at the time of sale. I have though, considered what I know of sales that happened at that time and heard from Mr T about what he thinks happened at the time of sale.

- I can't be sure what was discussed between Mr T and Yorkshire during the meeting. It's completely understandable that Mr T's recollections are not detailed as the sale took place many years ago. And because of this, I don't think the evidence is strong enough for me safely to say Yorkshire didn't explain that MPPI was an optional feature. I can also see that Mr T arranged his mortgage a number of years before he arranged his MPPI policy. So it seems unlikely to me that it was sold as he suggests it was. I don't uphold Mr T's complaint on this point.

- Moving on, when looking at the very limited information provided and also taking into consideration of what I know of Yorkshire sales during this time, I don't think any advice was given. So Yorkshire only had to ensure that it provided information to Mr T and did not misrepresent anything so that he could make his own mind up about whether he should take the policy or not.

- And based on the information I've seen, I can't be entirely sure that Yorkshire did provide clear information to Mr T. That said, I am not sure he would have acted differently (that is, not taken out the policy) if he'd had been properly informed and not misrepresented on any of the important terms and features of the policy.

- I say this after considering Mr T's circumstances at the time of sale. Because, although Mr T says he had reasonable sick pay, the MPPI policy would have paid out if needed in addition to his provisions. Having the policy in place would mean Mr T could use any sick pay he may have to cover other expenses. I don't think his means are sufficient for me reasonably to say that he wouldn't have had at least *some* use for the policy.

- Mr T was not affected by any of the conditions limiting the policy's main benefits, such for someone who was self employed or that had a pre-existing medical condition. It is unlikely Mr T needed better information about the policy's exclusions and limitations and if they had received clear information on these terms I don't think it would have put him off.

- Finally, I haven't seen enough that would suggest to me that Yorkshire disclosed the costs of the policy clearly, but even if it did, I don't think Mr T would have done anything differently for the same reason as I have already given. Mr T was protecting repayments on a financial commitment secured against his home. As such, I consider that the policy provided Mr T with a useful additional benefit for a reasonable cost to protect his home in the event that it was necessary for him to make a claim (Something he did go on to do).

In conclusion, it has been a difficult decision to make due to the lack of information provided about this sale, but based on what I have seen, I do not think the policy was mis-sold.

my final decision

For the reasons set out above, I don't uphold Mr T's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr T to accept or reject my decision before 8 April 2016.

Mark Richardson
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