

complaint

Miss W complains about life cover and contents insurance sold to her by the Bank of Scotland Plc ("BOS") in 2007.

background

Miss W approached BOS to arrange a mortgage for her in 2007. During this transaction Miss W was sold a "Total Mortgage Protection Plan" policy ("TMMP") over the phone. This provided her with protection for accident, sickness and unemployment, known as payment protection insurance ("PPI"). She was also sold life cover and contents insurance.

Our adjudicator upheld the complaint in full. She couldn't say that BOS made it clear to Miss W that the policies she was purchasing were optional.

Following our adjudicator's assessment, BOS decided to settle Miss W's complaint for the PPI aspect of her complaint. I'm told this has since been refunded to Miss W. BOS also paid £100 for the delays in dealing with Miss W's contents insurance complaint.

BOS disagreed with the adjudicator's assessment in terms of the life cover and contents insurance.

I issued my provisional decision at the beginning of February 2016. In that decision I was minded to not uphold Miss W's complaint.

In that decision I relied upon the contemporaneous telephone notes of the sale which I thought showed that Miss W wanted the life cover and contents insurance. I also could see that the documents after this conversation sent to Miss W illustrated that the life and contents cover was optional and that she chose to take. I was persuaded at this stage to say she did choose these products knowing they were optional.

I also thought the life cover recommended to Miss W was a suitable recommendation for her. Her mortgage was a repayment mortgage and she was recommended a decreasing term assurance policy which meant that as her mortgage balance reduced so would the benefit of her life cover reduce too.

I invited both parties to provide me with further comments to take into account before making my final decision. BOS didn't provide me with anything to consider.

Miss W responded. She explained that she was young at the time of the purchase and that she was told she needed these products and that despite what the terms advised, I'm told that the verbal conversation was different. Miss W understands that she opted out of the Critical Illness Cover ("CIC"), but explains that she was told that she had to take the buildings insurance to get her mortgage.

my findings

I've re-considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I've thought about what Miss W tells me following my provisional decision. But I've decided to not uphold this case.

I appreciate that Miss W tells me her honest recollections of the sale. However I think the contemporaneous screen shot clearly explains that she wanted the life insurance and contents insurance at the time. Memories and recollections can fade with the passage of time, so I'm persuaded by the contemporaneous record in this sale. This explains:

"19/6/2007

*Accepted ***** with MRC & Life (Declined CIC due to cost & priorities) and Contents (is flat didn't need buildings)"*

I think this is conclusive and illustrates that she wanted the life cover and contents insurance. I can understand that Miss W tells me she was young at the time of the purchase. And I can fully value where perhaps with experience and hindsight Miss W may've made a different decision. But I'm satisfied she had a choice at the time.

I've considered too where Miss W tells me in response to my provisional decision that she was told she had to take the buildings insurance, but this isn't relevant to the complaint before me in terms of the contents insurance. Nevertheless, it was a condition for Miss W to have buildings insurance. The mortgage offer sent to her after her conversation showed that she had to have this cover but that it didn't have to be through BOS. So Miss W is right where she tells me she was told she had to have the buildings insurance. It was indeed a condition of her mortgage. But as I've explained, this isn't relevant to the contents insurance complaint before me. This was explained as optional in the documentation.

I'm persuaded that Miss W chose the products and that the recommendation to purchase the life insurance was suitable for her.

I don't uphold this complaint.

my final decision

I don't uphold this complaint and I make no award against Bank of Scotland plc. Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 7 April 2016.

Daniel Lucas
ombudsman