

complaint

Mr M has complained that Bank of Scotland plc mis-sold him a credit card payment protection insurance (PPI) policy.

background

Mr M bought the PPI policy in July 1995. The policy cost Mr M 78p for each £100 he owed on his credit card. If he'd successfully claimed on the policy, each month it would've paid out 10% of what he owed on the card for up to 12 months. The policy also provided life and critical illness cover.

my findings

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

I think the relevant issues to take into account are the same as those set out in the information on our website about our approach to PPI complaints.

I've decided not to uphold Mr M's complaint and I explain why below.

Bank of Scotland hasn't been able to give us much evidence from the time of sale, so we don't have the specific policy document for the PPI Mr M was sold. This is understandable because the policy was sold many years ago. Bank of Scotland has referred us to the nearest available policy document, and I've based my decision on this and on my knowledge of Bank of Scotland's sales processes at the time.

Bank of Scotland has told us the policy and card were sold via a postal application. I've looked at the credit agreement Mr M signed and I can see it makes a specific reference to completing the form and returning it by post, so I agree. And, as a postal sale, I don't think Bank of Scotland would've given any advice about this product.

The credit agreement also shows that the option to take PPI was set out in a separate section on the form, and customers were invited to select from a variety of options, including one stating "*Please arrange Credit Care insurance cover to protect my repayments...*" The box associated with this option has been selected, and Mr M has signed the overall agreement to show his consent to its contents. Mr M also appears to have rejected the offer of card protection insurance by not ticking the relevant box. So it seems to me that some choice was exercised.

Mr M's representative has raised the point that there are handwritten "Y"s and "N"s on the credit agreement. With specific reference to the insurance products on offer, there is a "Y" (presumably for yes) written on the PPI offer and an "N" (presumably for no) written on the card protection insurance offer. This could've either been added by Mr M, reinforcing his selections, or by the business during processing, confirming the selections. But neither of these explanations suggest that Mr M didn't want the policy.

In summary, I think it's likely that Mr M knew he had a choice, and decided he wanted the cover. So, I've gone on to think about whether there was any information about the policy that would've change Mr M's mind if he had known it at the time.

Based on the evidence I've seen, it also looks like Mr M was eligible for the policy and most likely wouldn't have been caught by any of the main things the policy didn't cover. Mr M initially told us he was a director of his own company at the time the policy was sold. His representative has also told us he was a company director, although has since stated that this wasn't in a self-employed capacity. In any case, Mr M's policy most likely wouldn't have made it more difficult for company directors, whether self-employed or not, to make a successful claim. So, I don't think more information about this would've made a difference to Mr M's decision to take the policy.

Also, even if the cost and benefits of the policy had been explained more clearly to Mr M, I don't think this would've made any difference to his decision to take the policy. This is because I think he'd have decided that the benefits were worth the cost, especially as he's told us he wasn't entitled to any sick pay and had no savings.

So, overall, I don't think Mr M is worse off as a result of anything Bank of Scotland did wrong. This means there's nothing Bank of Scotland needs to do to put things right. It follows that I'm not upholding this complaint.

my final decision

For the reasons I've explained, I've decided not to uphold Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr M to accept or reject my decision before 3 May 2016.

Clair Bantin
ombudsman