

complaint and background

Mr and Mrs B complain Nationwide Building Society ('Nationwide') mis-sold Payment Protection Insurance ('PPI') with a mortgage in May 2007.

Our adjudicator didn't think the policy had been mis-sold and didn't uphold the complaint. Mr and Mrs B don't agree with the adjudicator's conclusions so the file's been referred to me for a final 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.

In my view, the relevant issues to take into account are the same as those set out in the note on our website about our approach to PPI complaints. So the questions to consider are whether Nationwide gave Mr and Mrs B enough information about the policy; and if Nationwide made a recommendation, whether it was suitable.

Reviewing the available information, I can't uphold this complaint – for the reasons I explain below.

basis of sale

Mr and Mrs B say Nationwide recommended they buy the policy. But Nationwide say this was an information only sale. It says it didn't offer tailored advice to buy PPI.

Reviewing all the information, like our adjudicator I think it's likely that this was an information only sale, rather than being advised. I say this because Nationwide's provided us with a copy of a 'Customer Information Document' that sets out the details of the policy Mr and Mrs B were buying. It states that '*Nationwide has not provided you with any advice or recommendation as to whether this policy meets your specific insurance requirements.*' That's also consistent with what we know about its sales process at the time.

This means Nationwide didn't have to take into account Mr and Mrs B's existing circumstances. Instead, it had to make sure it provided them with enough information about the policy for them to decide if they wanted it.

was undue pressure applied?

Mr and Mrs B told us that Nationwide told them without PPI they wouldn't get a mortgage. It was only as a result of this pressure that they bought PPI.

But when I look at the information from the point of sale, I can see that the mortgage offer told Mr and Mrs B that they'd be getting more information about the policy in a 'Customer Information Document.' I've seen that document, and it clearly sets out that the policy can be cancelled at any time. I don't think it's likely that Nationwide would give oral advice so clearly contradictory to the written material it produced and provided Mr and Mrs B.

So, while I accept it's possible Mr and Mrs B were pressured into buying PPI, on the basis of the available information I can't conclude this was likely.

information needs

I don't know how the policy was presented to Mr and Mrs B, so I can't say that their information needs were met. There isn't much information about the PPI's key features on the documentation they've signed.

But they've told us that they're not questioning the clarity of the costs of the policy. Instead they're complaining they weren't told about the requirements they'd have to satisfy before they could make a claim. They say they couldn't claim because they had savings of more than £16,000 - so they couldn't get the Job Seeker's Allowance they were required to have.

But I don't think more information about the conditions before they could claim would have led to them declining the cover. That's because the policy states '*if you are ineligible for a Jobseeker's Agreement, you must be able to provide ongoing alternative evidence that is acceptable to us that you are unemployed and actively seeking work. This could include copies of job applications, responses and registration with job agencies.*' I don't think that this condition is so onerous that Mr and Mrs B would've declined to buy the policy if they'd been told about it.

my final decision

It follows from the above that I'm not persuaded this policy was mis-sold. I know this may come as a disappointment to Mr and Mrs B, but for the reasons I've set out, I do not uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs B to accept or reject my decision before 17 December 2014.

Jonathan Hanton
ombudsman