

complaint

Mr T and Ms B complain that Nationwide Building Society ("Nationwide") mis-sold them a mortgage payment protection insurance ("MPPI") policy in 2001.

background

Our adjudicator explained why she did not think that the policy had been mis-sold to Mr T and Ms B. They did not agree with this view. So it falls to me to make a decision on this complaint.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. We have set out our general approach to complaints about the sale of payment protection insurance on our website and I have taken that into account in deciding this case

Following my review of the file, I have decided that this complaint should not be upheld. I have explained my reasons below.

Nationwide has provided evidence that Mr T and Ms B bought the policy in 2001. The policy covered only Ms B for accident, sickness or unemployment. Although it was a joint mortgage, only Ms B was covered by the policy.

Nationwide has told us that it did not recommend the policy to Mr T and Ms B, it simply gave them information about it so that they could make up their own minds whether to buy the cover.

When our adjudicator told Mr T and Ms B that she did not think their complaint should be upheld they told us that they do not remember anything about agreeing to buy the MPPI. I accept that that is their honest memory of the time. But as the sale took place over 10 years ago, I am not surprised that they cannot remember every detail of the meeting. But I can see that Mr T and Ms B had both signed a separate section of the mortgage application to show that they wanted to buy MPPI.

The cover was set out to be for Ms B only. As they had chosen to cover Ms B, rather than Mr T or both of them, I think that they had given the matter some thought before choosing who to allocate the cover to.

Next I have looked at whether Ms B - the person insured - was disadvantaged by any of the conditions or limitations of the policy. The information that I have seen makes me think that Ms B was eligible for the cover, was in good health and permanent employment. So I think that she would have been able to make a successful claim on the policy if she had needed to. From the evidence I have seen, I have no reason to believe that Mr T and Ms B would have decided not to buy the policy if they had been given more, or better, information about it.

I have limited information about how the cost of the policy was presented to Mr T and Ms B. But I understand that it cost around £17 per month. This would have paid out around £350 per month for 12 months during a claim.

Although Mr T and Ms B have told us that Ms B had good employer benefits at the time, the policy would have paid out over and above these, and possibly for a longer time. As homeowners, I think it is likely that Mr T and Ms B would have had other claims on Ms B's employer benefits if she was unable to work. So I can believe that Mr T and Ms B chose to take the insurance for the valuable protection and reassurance that it would have given them, despite Ms B's employer benefits. As I believe that they made an active choice to buy the cover for Ms B, I think that they were content with the costs and cover level of the policy at the time they bought it.

It is, of course, possible that Nationwide did not give Mr T and Ms B all the information that it should have about the policy that they bought. But I have seen nothing that makes me think that they would have decided not to buy the policy if they had been given more, or better, information about it.

I realise that this will be a disappointment to Mr T and Ms B, but I do not think that the policy was mis-sold to them. It follows that I do not uphold their complaint.

my final decision

For the reasons set out above, I do not uphold this complaint. I do not require Nationwide Building Society to pay any compensation to Mr T and Ms B.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr T and Ms B to accept or reject my decision before 5 February 2016.

Roxy Boyce
ombudsman