

complaint

Mrs V says Canada Square Operations Limited (trading as Egg) mis-sold her a payment protection insurance ("PPI") policy in 2001 when she applied for a credit card.

background

Mrs V bought the policy in 2001 at the same time as taking out a credit card through an internet application. She couldn't remember any details about the sale, but she said she didn't need the PPI because she could get good sick pay benefits from her employer. So she concludes the policy was mis-sold.

Our adjudicator didn't uphold the complaint. Mrs V disagreed with our adjudicator's view, so the complaint has been passed to me to look at again.

my findings

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

We've set out our general approach to complaints about the sale of PPI on our website and I've taken this into account in deciding Mrs V's case.

I've decided not to uphold Mrs V's complaint. I know this will be a disappointing result for her, so I will explain the reasons why.

I first looked to see if Canada Square Operations made Mrs V aware the policy was an optional product. However, I think Canada Square Operations made Mrs V aware on her internet application form that she had a choice about buying the PPI. I say this because I've seen a sample of the internet screenshots which Canada Square Operations says its consumers would have seen around the time of Mrs V's sale. I can see the consumer was presented with a choice of "Yes" or "No" to buy PPI. And Canada Square said the application could not progress to the next web page until a consumer had said yes or no to PPI. So as there was a choice given to Mrs V, I think the policy was shown as optional. I think that as Mrs V chose to take PPI, she consented to have it added to her credit card account – although she can't now remember this.

Canada Square Operations didn't recommend the PPI to Mrs V, so it didn't have to check if it was right for her. But it did have to give her enough information which was clear, fair and not misleading, so she could make her own decision.

I went on to look at the information Canada Square Operations said it gave to Mrs V. I think the information about the cost and benefits was clear enough for her on the internet application. And as I think she chose to take out the PPI - it looks like she wanted this type of cover – so I don't think that any more detailed information would have put her off from buying PPI.

Mrs V also told Canada Square Operations that she had no savings and good employee benefits at the time of the sale. I noted the PPI could pay out in addition to her employee benefits, so I think the PPI could have been useful for her. Also, the policy had a low monthly price and so I don't think her employee benefits outweighed the PPI cost.

Based on what I've seen of her circumstances at the time, it also looks like the PPI was affordable. I don't think she was affected by any of the exclusions to or limits on the PPI cover - so it would have been useful for her if something went wrong. So I don't think better information about the exclusions would have put her off taking out the cover.

Taking everything into account, I think the policy was shown to be an optional product and Mrs V consented to have it added to her credit card account. I think the information was probably clear enough for her to make a decision. So I am not going to uphold this complaint.

my final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs V to accept or reject my decision before 20 November 2020.

Amrit Mangra
ombudsman