

## **complaint**

Mr and Mrs D say Nationwide Building Society mis-sold Mr D a regular premium mortgage payment protection insurance (MPPI) policy in 1993.

## **background**

Mr and Mrs D have brought this complaint together – probably because they were both named on the mortgage from 2001. But the mortgage and MPPI policy sold in 1993 were only in Mr D's name. And so it's him I've largely referred to in my decision.

Mr D says he didn't need or want the policy – and that he wasn't told by Nationwide that he could go elsewhere for a mortgage.

Our adjudicator didn't uphold the complaint. Mr D disagreed with the adjudicator's opinion, so the complaint has been passed to me to consider.

## **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 MPPI on our website – and I've taken this into account in deciding Mr and Mrs D's case.

Having done that, I'm not going to uphold it. I realise this will be disappointing for Mr and Mrs D because I know this is a complaint they feel strongly about. But I hope that my explanation helps them to understand and accept why I've reached the conclusion I have.

Mr D doesn't dispute that the MPPI policy was sold. He also says he knew it was something he *had* to take with his particular mortgage – in other words, it was a qualifying condition. But he says Nationwide didn't tell him he could've gone elsewhere to get a mortgage and it suggested MPPI would've been compulsory everywhere anyway. He also says he felt pressured into taking the mortgage with the policy in order to secure the purchase of the property he was buying.

I don't *know* what was discussed in 1993 as the sale took place over 20 years ago. But I have thought carefully about what the parties have said, including everything Mr D has said throughout this complaint. And while I don't doubt that he's given us his honest recollections, I don't think there's enough to base a conclusion on recollection alone and say Nationwide told him he had to take MPPI wherever he went.

Mr D *had* to take the MPPI policy when he took this mortgage with Nationwide because he was borrowing more than 90% of the purchase price. Lending conditions such as this are legitimate commercial judgements with which we don't interfere. But Nationwide did have to make it clear to Mr D that MPPI was a qualifying condition – which I think it did. There is a hand written note on his mortgage application form that suggests this condition was discussed. It was also mentioned in his mortgage offer.

It's possible Nationwide didn't tell Mr D that he could go elsewhere for a mortgage if he didn't want to take MPPI. But I don't necessarily find that surprising. It wasn't obligated to tell him that there were other mortgage providers at the time. Nationwide was and is, after all, a

business – so it would've been unusual to have turned his attention to its competitors. And as I find it unlikely that Mr D wouldn't have known that he could've gone elsewhere, I think he could've taken the decision to approach other mortgage providers if he didn't want to take what Nationwide was offering him. So I don't think there's a reason to uphold his complaint on this basis.

As for the pressure Mr D says he felt, given the way in which he's described it, I don't think that was the result of anything Nationwide had done. Instead, I think it was probably his drive to buy a house that led him to feel under pressure – and that wasn't something Nationwide was responsible for.

The MPPI policy was something Mr D had to take. But Nationwide still had to make sure that he was given clear information, and enough of it, to make a well informed decision when agreeing to take the policy and, by extension, the mortgage. So that's what I've looked at.

I don't *know* if the cost and benefit of the policy were clearly disclosed before Mr D agreed to take it. So it's possible Nationwide could've explained these better than it did. But he was taking on a significant financial commitment secured against his home. So the policy did provide important protection. I accept he might've been entitled to sick pay from his employer – but the policy did provide extra breathing space and peace of mind. And as it was something he *had* to take with his mortgage, I think he would've still bought it even if the cost and benefit had been disclosed as clearly as they could've been.

It's also possible Nationwide didn't give Mr D all of the information it should've on what the policy did and didn't cover. But this doesn't mean the policy was mis-sold because I don't think Mr D would've found it difficult to claim under the policy given his circumstances at the time. So while I can't clearly determine what information was given to him, doing so isn't crucial to the outcome of this complaint as I don't think he would've done something different – and not taken the policy and mortgage – had he been given all of the information he should have had.

I want to reassure Mr and Mrs D that I have looked at all the information I have about their complaint. But having done so, I don't think Nationwide mis-sold the MPPI policy.

### **my final decision**

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs D to accept or reject my decision before 28 December 2016.

Morgan Rees  
**ombudsman**