

complaint

Mr H complained that he was mis-sold a mortgage payment protection insurance (PPI) policy by London and Country Mortgages Ltd ("LCM").

background

Mr H bought the PPI policy when he took out a mortgage in April 2003. LCM said the sale took place by phone after details had been sent out by post, and that it didn't offer advice about the PPI. Mr H agreed that the sale took place by phone but said that he *was* advised to take the policy.

The policy provided accident, sickness and unemployment cover for Mr H at a monthly cost of £19.89 (after an initial six month period when it was free of charge). The monthly benefit was £456.25. If Mr H had made a successful claim, the policy would've paid out for up to 12 months per claim.

Our adjudicator didn't uphold the complaint. Mr H disagreed, and asked that it be referred to an ombudsman for review.

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 Mr H's case.

I've decided not to uphold Mr H's complaint.

This was a difficult case to decide as there was very little evidence. LCM wasn't able to send us a copy of Mr H's PPI application, or a call recording or call script from the time of the sale. However, I do have a copy of the policy terms, and a brochure that LCM said would've been used at the time. I also have a copy of a later certificate of cover.

LCM said that Mr H called to enquire about arranging a mortgage, and that it would've posted out details of the PPI along with mortgage quotations. As I've said, I have a copy of the PPI brochure, and from what's in this document I think Mr H would've understood he had a choice about taking the PPI.

I've kept in mind that Mr H said that he was advised to take the PPI, but that he didn't need it. On the other hand, LCM said it *didn't* offer advice about the policy.

It appears that the sale of the PPI took place in a phone call, so I can't know how the salesperson explained the cover. However even if the salesperson *did* advise Mr H to take out the PPI, my decision wouldn't change, as I think the cover was suitable for him.

I can't know how the salesperson explained the things not covered. But I can't see that Mr H would've been affected by any of these. Mr H said he would've been entitled to between six and twelve months' sick pay from his employer, but he had no other ways of meeting the mortgage repayments. I think Mr H could've found it difficult to meet the mortgage payments if he was off sick for any length of time or lost his job. So overall, I think the PPI could've provided a useful benefit to protect what was a major commitment.

It's not clear how LCM explained the cost and benefits of the policy, although the brochure sets out the basic details and example costs. So I've considered whether this would've affected Mr H's decision to take out the PPI. On balance I don't think it would. The monthly premium was £19.89, and I've no evidence to suggest that cost was an issue. And as I've said, I think Mr H could reasonably have wanted to protect an important commitment.

On balance, although I can't say for certain that LCM clearly explained the policy details, I think Mr H would still have bought the policy. It could've provided valuable protection if he had been unable to work. This means Mr H isn't worse off, so there's nothing LCM needs to do to put things right.

my final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 2 December 2016.

Jan Ferrari
ombudsman