

complaint

Mr J says Cheltenham & Gloucester Plc ("C&G") mis-sold him a mortgage payment protection insurance ("MPPI") policy.

background

This complaint is about a monthly premium MPPI policy taken out with a mortgage in 2003. Mr J accepts that he had a C&G mortgage but has told us it was arranged for him in a Lloyds TSB branch.

The MPPI policy provided Mr J with cover in the event that he became unable to work due to accident, sickness or unemployment. It would have paid out for a maximum of 12 months in any one claim.

Several months after taking out his mortgage with C&G Mr J took out a further advance on his mortgage and his policy was amended to cover the additional monthly repayments. However, there was a delay in the bank amending his policy and payments were never received on this amendment. Mr J's policy was then cancelled in 2004 without him making any payments towards this amended policy. Because of this I will only consider the circumstances of the first sale as this was the only one Mr J paid money for.

One of our adjudicators has looked into Mr J's complaint already. The adjudicator didn't think that C&G mis-sold the MPPI policy to Mr J and didn't recommend that it should pay him any compensation. Mr J didn't accept this recommendation and asked for an ombudsman to look at the complaint and make 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.

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 J's case.

After giving Mr J's complaint a great deal of thought, I don't think C&G mis-sold the MPPI policy to him. So I'm not asking it to pay Mr J any compensation. I know this isn't the outcome that Mr J was hoping for. But I hope that my explanation will help him understand how I've come to this conclusion.

Mr J has told us that he didn't realise the MPPI policy was optional. If he had, he says he wouldn't have taken it. C&G has provided us with copies of Mr J's mortgage application form. On this I can see a box has been ticked next to the sentence "*I wish to apply for C&G Payment Protection Plus cover and have completed the relevant proposal form at the back of this application form*". Immediately underneath this sentence was another sentence that read "*I do not wish to take out C&G Payment Protection cover...*" and it also had a box next to it which was not ticked. In addition to this C&G has also provided us with the separate application form and direct debit mandate Mr J signed to take out the MPPI policy.

So after considering everything Mr J has said, as well as everything C&G has said, I am unable to find that C&G failed to present the MPPI policy as optional. Instead I think Mr J

would've understood that he didn't have to take the policy if he didn't want to. But I can understand why, after all this time, he may not remember this.

C&G recommended the MPPI to Mr J so it had to take reasonable steps to make sure the policy was suitable for him. And based on what I've seen of his circumstances at the time, I think it was suitable for Mr J.

Mr J has told us that he would have received employee benefits had he had to stop working for any reason. However, I still think the policy could have been useful to him. I say this because the MPPI policy would have paid out alongside anything Mr J already had in place. So I don't think the fact that Mr J had some existing cover in place made the policy unsuitable for him or that C&G was wrong to recommend it to him.

I don't know what information C&G gave to Mr J about the cost of the policy. But even if C&G didn't present the costs clearly enough, I still think Mr J would have bought it as the policy offered reasonable benefits for a competitive price.

It's also possible C&G didn't point out the main things the policy didn't cover. But from what I know about Mr J's circumstances he wouldn't have been negatively affected by these.

I want to reassure Mr J that I have looked at all the information I have about his complaint. Having done so I don't think C&G mis-sold the MPPI policy to him. And I don't think it owes him any money.

my final decision

For the reasons set out above, I don't uphold Mr J's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 15 August 2016.

Karen Hanlon
ombudsman