

complaint

The late Mr B complained that he was mis-sold payment protection insurance ("PPI") by MBNA Limited ("MBNA").

background

Since making his complaint, Mr B has sadly passed away. His partner, Miss D has continued pursuing Mr B's complaint. As it was Mr B who brought this complaint to us and bought the PPI, I shall continue to refer to him throughout my decision and I hope that this doesn't cause Miss D further distress.

Mr B applied for a credit card from MBNA in December 1997. Mr B has told us that he didn't have any work related benefits should he have been unable to work and did not have any other means of meeting the repayments. The cost of the policy was £0.68 per £100 and in the event of a successful claim it would have paid out 3% of the outstanding monthly balance for a maximum of 12 months.

The adjudicator did not uphold Mr B's complaint because she felt she could not find that MBNA mis-sold the policy.

Miss D does not agree with the adjudicator's assessment and has asked that this complaint be determined by an ombudsman.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

The application was made by post. From the paperwork I have seen it doesn't seem as though MBNA advised Mr B to take out the policy.

From reviewing the credit card application form, I am satisfied that Mr B was eligible for the PPI policy, that he knew it was optional and that he actively chose to take out the policy. On the application form, Mr B had to tick a box to show that he wanted to take out the policy. He did this and signed the application form.

As the sale was non-advised, MBNA was not responsible for ensuring that the PPI policy was suitable for Mr B. However, in line with good industry practice, the business should have ensured that enough information was provided about the PPI cost, benefit, terms and conditions at the time of sale in order for Mr B to make an informed choice to buy the policy.

I don't think that this information was provided to Mr B in a way which was clear. The text was very small and Mr B would have probably have benefitted from some cost examples to truly understand the cost of the policy. However, the policy did represent a reasonable benefit at a reasonable cost to Mr B. Mr B told us that he had no savings or work benefits to help him meet his credit card payments if he had been unable to work. I therefore think that it is unlikely that clearer information about the costs and benefits would have affected Mr B's decision to buy this PPI policy.

From the policy document, Mr B was not caught by any of the exclusions of the policy. Therefore, I don't think that clear details of the main exclusions would have affected Mr B's decision to buy the PPI policy either.

I'm sorry that Miss D may find this decision disappointing, but I can't uphold Mr B's complaint.

my final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Miss D to accept or reject my decision before 11 April 2016.

Rebecca Haigh
ombudsman