

complaint

Mr T complains that he was mis-sold a payment protection insurance ("PPI") policy when he took out a credit card with The Royal Bank of Scotland Plc ("RBS").

background

I set out the full background to this case in my provisional decision which I've attached here. It forms part of my final decision.

I invited both parties to make any further comments they wanted me to consider before I made my final decision. Neither party asked me to consider anything further.

my findings

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

As neither party wished me to consider anything further I see no reason to depart from my provisional decision.

my final decision

I'm not upholding Mr T's complaint so it follows that The Royal Bank of Scotland Plc doesn't need to do anything else.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 3 May 2016.

Sally Allbeury
ombudsman

PROVISIONAL DECISION

complaint

Mr T complains that he was mis-sold a payment protection insurance ("PPI") policy when he took out a credit card with The Royal Bank of Scotland Plc ("RBS").

background

Mr T applied for a credit card with RBS in 2005. At the same time he was sold a PPI policy which would've paid 10% of his outstanding balance each month for up to 12 months at a time if he couldn't work because of an accident, sickness or redundancy.

Mr T says that he wasn't given enough information about the costs or the main features of the policy. His representatives raise other complaint points. For example that the PPI was added without his permission and that Mr T's existing insurance arrangements weren't considered during the sale.

The adjudicator thought that Mr T's complaint should be upheld. RBS disagree, so the case has been passed to me to make a decision.

my provisional 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 PPI on our website and I've taken this into account when deciding Mr T's case.

I'm not intending to uphold Mr T's complaint. I'll explain why.

The adjudicator who first looked at Mr T's complaint thought it should be upheld. This was because RBS hadn't been able to show how it obtained Mr T's consent to add the policy and because there wasn't enough evidence to show they'd presented it as an optional product.

But since the adjudicator gave that view RBS have been able to find Mr T's original credit card agreement. This shows that Mr T filled out an application for the credit card on line and was later sent a paper credit agreement for him to sign and return.

I don't know whether there was any mention of PPI in the online application, but on the credit agreement I can see there's a separate section for this. It comes after Mr T signed the credit agreement itself.

This section covered three options – PPI and two types of card registration insurance. There was a box for each one for the consumer to tick if they wanted it, preceded by the words '*I wish to purchase*'. Mr T ticked the box for PPI and left the boxes for card registration insurance blank. He also signed separately in this section.

So I think it's now clear that Mr T had a choice about the PPI and he decided to buy it.

As I'm not upholding in this area I've had a look at the rest of the sale to see if there's another reason why it may've been mis-sold. I don't think that there is.

The sale was on a non-advised basis. This means that RBS didn't give a recommendation to Mr T to buy the policy. All it needed to do was give Mr T enough information for him to make his own decision. So there was no obligation for RBS to consider Mr T's existing insurance arrangements as Mr T's representatives have suggested.

I can't be sure that RBS did give good enough information to Mr T. I'm told that the important information would've been contained in a leaflet which would've been sent with the credit agreement. But I don't know if Mr T received this, or if the information was good enough. But looking at Mr T's

circumstances I don't think it would've made a difference to his decision to buy the policy even if he'd had all the information he needed. I say this because:

- Mr T was eligible for the policy and wouldn't have been affected by any of the main terms which might've made it difficult for him to claim, such as a pre-existing medical condition or unusual employment arrangements;
- Mr T says he would've got 'full pay' if he was off sick .We tried a number of times to find out from Mr T how long this full pay would've been for but we didn't get a response. But even if I assume that Mr T had excellent sick pay the policy would've paid out in addition to this and in all likelihood for a lot longer;
- Mr T says he had savings but he didn't tell us how much. And he didn't tell us how long he'd been working for his employer at the time he bought the policy. We tried a number of times to find out these details but we didn't get a response. So I can't be satisfied that Mr T had adequate provision without the PPI in the event he was made redundant;
- The policy was a monthly premium and could've been cancelled at any time. I haven't seen anything to make me think the policy was unaffordable for Mr T.

So I think more information would've just shown him that the policy was suitable for him as I've described above.

I don't think Mr T lost out as a result of anything RBS did wrong.

my provisional decision

I'm provisionally intending to not uphold Mr T's complaint which would mean The Royal Bank of Scotland Plc didn't need to do anything further. But I'll look at any more information either party wishes to submit which I receive before 29 March 2016. I would be especially interested in seeing evidence of any sick pay entitlement or savings Mr T might've had at the time of sale.