

complaint

Mr F complains that Bank of Scotland Plc (trading at the time of sale as “Halifax”) mis-sold him a mortgage payment protection insurance (“MPPI”) policy in 2009.

background

Mr F bought a MPPI policy which started in 2009 to protect his mortgage repayments. The policy was sold during a branch meeting and Mr F was covered against unemployment. Mr F was also sold life assurance.

Mr F believes Halifax mis-sold the policy. He doesn't think Halifax presented the policy as optional and doesn't think it was suitable for his needs.

Our adjudicator didn't uphold the complaint. As the complainant doesn't agree with the adjudicator's opinion, the complaint has been passed to me. I have considered whether the MPPI policy was mis-sold and considered Mr F's complaint.

my findings

I've considered all the available evidence and arguments to decide what is 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 F's case.

I've decided not to uphold Mr F's complaint because of the following reasons:

- I can't be sure how the policy was presented to Mr F during the meeting. But I've looked at what he said about how the policy was sold – including that he felt Halifax did not present the policy as optional to him. But I think, after considering the documentation provided and what I know of how Halifax sold policies at that time, it is just as likely that he was advised it was a good idea to have the insurance to protect his mortgage repayments against unemployment, and he took it the policy on that advice.
- I say this because the documentation I do have suggests to me that the policy was presented as optional. I can see in a welcome letter that the MPPI policy was described as optional and in a demands and needs form I can see that some discussion must've been had around the suitability of having a policy, as Mr F made a choice to decline part of the cover recommended.
- As I have already mentioned, I think Halifax recommended the MPPI to Mr F (rather than tell Mr F he had to have it), but it doesn't look as if it was unsuitable for him based on what I've seen of his circumstances at the time. He had some sick pay with his employer but the policy would have paid out in addition to this amount if he became unemployed and would have been useful in a time of need.
- Mr F has very recently, through his representatives, suggested that he was also self employed at the time of sale and so the restrictive terms within the policy for self employed policy holders, would have made the recommendation unsuitable for him. So I have looked into this.

- I can see that Mr F's main source of income was through his employment at the time of sale and not from the additional income he suggests he would have received from being self employed. Mr F would have been able to claim benefit if he became unemployed from his employed role and as I have already concluded this would have been a useful benefit for Mr F. I think he would have struggled for an extended period if he had become unemployed. So, I don't think that Mr F's circumstances at the time of sale made the policy unsuitable for him as he had a need for cover and would have been able to claim benefit when needed.
- Moving on, Halifax has provided some information about the costs relating to the MPPI that Mr F took out and I can see that it was clearly disclosed within the welcome documentation that Mr F would have received shortly after the sale. The policy was reasonably priced compared to similar policies available at the time and to the monthly mortgage repayment. And Mr F could have cancelled the MPPI if it did become unaffordable.
- I consider that the policy provided Mr F with a useful additional benefit (over and above his employment benefits and additional income) for a reasonable cost to protect his home in the event that it was necessary for Mr F to make a claim. I'm not persuaded Mr F would have avoided protecting his repayments given the serious consequences of defaulting on a debt secured against his home.

I know this will come as a disappointment to Mr F, but in conclusion I do not uphold his complaint for the reasons that I have given.

my final decision

I don't uphold Mr F's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr F to accept or reject my decision before 19 February 2016.

Mark Richardson
ombudsman