

complaint

Mr A complains that Dashwise Limited (Dashwise) mis-sold him a single premium payment protection insurance (PPI) policy in connection with a hire purchase agreement in March 2006. Mr A says that the PPI policy was not discussed at all and Dashwise added the policy to the hire purchase agreement without his knowledge.

background

The hire purchase agreement and the PPI policy both had a term of 46 months. Mr A took out the hire purchase to provide finance for a vehicle. The PPI policy provided life cover for Mr A as well as accident and sickness protection but did not include cover against unemployment.

In September 2010 Mr A complained to Dashwise about the sale of the PPI policy. Unhappy with its response he brought the complaint to this service.

In July 2011 our adjudicator wrote to Mr A setting out her initial findings which were that Mr A's complaint should not succeed. Mr A disagreed with the adjudicator and requested that an ombudsman consider the complaint.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. In doing so I have taken into account any relevant regulatory rules, the law and good industry practice at the time the policy was sold.

It seems to me that the relevant considerations in this case are materially the same as those set out in the section of our website explaining how we deal with PPI complaints.

The overarching questions I need to consider therefore are:

- Whether Dashwise gave Mr A information that was clear, fair and not misleading in order to put him in a position where he could make an informed choice about the insurance he was buying.
- Whether in giving any advice or recommendation, Dashwise took adequate steps to ensure that the product it recommended was suitable for Mr A's needs.
- If there were any shortcomings in the way the policy was sold I need to decide if Mr A is worse off as a result. That is, would Mr A be in a different position to the position he finds himself in now if there had not been any shortcomings.

was the policy presented as being optional?

It seems to me the crux of Mr A's complaint is that Dashwise added the PPI policy to his hire purchase agreement without his knowledge or consent. On the other hand Dashwise has told us it would have discussed the PPI policy with Mr A and that it would have been made clear to Mr A that it was optional.

Mr A has told us that the PPI policy was sold during a meeting at the Dashwise premises, whereas Dashwise has told us it was sold online. Dashwise has provided a copy of the credit

agreement signed by Mr A and I can see that it appears to have been faxed to and from the insurer. I am therefore persuaded it is most likely that the PPI was sold during a meeting, with the completed application form being faxed to the insurer.

Disappointingly, Dashwise has been able to provide only very limited documentation from the time of the sale. Other than a copy of the credit agreement it has only been able to provide us with an example copy of the demands and needs form. Dashwise says that its representative would have completed this form with Mr A.

I have studied the credit agreement and I can see that Mr A signed it in two places. Mr A has signed the agreement once for the credit and then again below the following statement:

"I wish to purchase the following insurance(s) (tick relevant box (es))

Payment Protection

I understand that I am purchasing the product(s) ticked above on credit provided by you and that the terms relating to the credit for the products can be found in clause 2 and 8-14 in this agreement.

Your signature"

Although I see that Mr A has signed this declaration, I also note that the box has not been ticked. This could indicate that Mr A was asked to sign where directed and did so without reading the declaration. Equally it could simply be that Mr A missed the box.

I also note that the policy provided three levels of cover - bronze, silver and gold. I see that the credit agreement shows that Mr A purchased the silver, mid-level option which provided accident, sickness and life cover but no unemployment protection. This would indicate to me that some discussion most likely took place around the level of cover Mr A opted for. I say this as I note that Mr A has told us that his employer would only provide full sick pay for four to six weeks if he became too unwell to work. It also seems to me that if the Dashwise representative had added the policy to the agreement without Mr A's knowledge he would most likely have added the more expensive gold option.

I accept it is a *possibility* that the PPI policy was added to the agreement without Mr A's knowledge and he signed the declaration without reading it. However after considering all the evidence available I am not persuaded that this is the *more* likely scenario. Overall I have not seen *sufficient* evidence to persuade me that the PPI policy was added to the agreement without Mr A's consent.

how was the policy sold?

The lack of documentation means that I cannot be sure whether there were any shortcomings in the way the policy was sold, but ultimately I do not consider it necessary to draw any firm conclusion on this point.

I have taken into account the policy benefits, cost of cover, and Mr A's broader financial circumstances at the time of the sale. Having done so, I am not persuaded I can safely conclude the policy was unsuitable for Mr A even if there were shortcomings in the way Dashwise sold the policy. I am also not persuaded that Mr A is likely to have acted differently

(that is, not taken out the policy) had he been properly advised and informed. I say this for the following reasons:

I am satisfied that, at the time of the sale, Mr A met the eligibility criteria of the policy in terms of his age, residency in the United Kingdom and employment status. I have not seen any evidence that Mr A would have been subject to any of the limitations or exclusions of the policy, such as pre-existing medical conditions or unusual employment terms.

At the time of the sale Mr A was married, with a mortgage and financial dependants. Mr A has told us his employer would have provided full sick pay for only four to six weeks if he became unwell. If he remained unable to work beyond six weeks Mr A would therefore have suffered a substantial reduction in income. I have not been made aware of any other policies Mr A had in place to protect his *income* in the event of him becoming unwell and he had no significant savings in place which he could have relied on.

Given these circumstances I consider it likely that Mr A had a need for the PPI policy which he would have found useful if he had found himself in the situation where he was unable to work due to accident or sickness.

The monthly cost of the policy along with the single premium and the interest it would attract was set out on the hire purchase agreement. The monthly cost of the policy increased the overall monthly cost of the hire purchase by around 11% and it appears this would have been affordable for Mr A. I can understand that with hindsight Mr A may regard the policy as being expensive or unnecessary, however it is my view that given Mr A's circumstances in March 2006 he would most likely have valued the peace of mind it provided.

summary

In summary I am not persuaded that the policy was mis-sold to Mr A and I am satisfied that it was most likely suitable of Dashwise to recommend it to him given his circumstances at the time. I am also not persuaded that the policy was added to the agreement without Mr A's knowledge. Finally I do not consider it likely that Mr A would have decided against taking the policy out if he had been provided with any clearer information about it.

my final decision

For the reasons set out above, my final decision is that I do not uphold this complaint and make no award against Dashwise Limited.

Steve Thomas
ombudsman