

## **complaint**

Mr and Mrs W complain that Clydesdale Bank Plc ("Clydesdale") mis-sold them a mortgage payment protection insurance ("MPPI") policy in 1998.

They have told us they thought the insurance was compulsory, but that it did not cover their mortgage repayments when Mr W made a claim on it.

## **background**

Our adjudicator told Mr and Mrs W why he did not think that the policy had been mis-sold to them. They did not agree with this view, so I am making an ombudsman's decision on their case.

## **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 have set out our general approach to complaints about the sale of payment protection insurance on our website and I have taken this into account in deciding Mr and Mrs W's case

Having looked at their case with care, I am afraid I must disappoint Mr and Mrs W because I do not uphold their complaint. I have explained my reasons below.

Clydesdale has told us that it recommended the policy to Mr and Mrs W. This means that it had to give them clear information about the policy and its terms and limitations so they could make an informed choice about whether or not to buy it. But it also had to make sure that the policy was suitable for their particular circumstances.

Mr W was the only person covered by the insurance, so it is his circumstances that I have looked at most closely.

From the information available to me, it appears that Mr W was eligible for the cover because of his age and employment situation. I also do not think that Mr W would have been disadvantaged by any of the significant limitations or exclusions of the policy, such as exclusions for pre-existing medical conditions or temporary contracts. So I do not find that the policy was unsuitable for his situation.

Turning to the cost of the policy, I cannot know how this was presented to Mr and Mrs W. Clydesdale has told us that the policy cost £11.70 and that the monthly benefit was £210. I can see that the benefit of the cover had been hand written on the application form next to an illegible crossed out figure. This suggests that there may have been some discussion about the amount of benefit that Mr and Mrs W wanted from the policy and that the figure changed as a result.

I note that Mr and Mrs W have said that when they made a claim on the policy, what they received did not cover the full cost of their mortgage. But it is clear that this is the amount of cover they agreed to buy for Mr W, because there was the option on the form for Mrs W to also buy the policy, which she did not take up.

Clearly I cannot know what discussions took place. I believe that there probably was some discussion with Mr and Mrs W and that they made choices as a result. On balance, I think

that they were accepting of the costs at the time, as I have not seen anything to suggest otherwise.

Mr and Mrs W have told us that they were made to feel that they had to take the insurance to secure the mortgage. I appreciate that they have given us their best memory of what happened at the time. But I was not there, and from the evidence that I have seen, I think Mr and Mrs W were probably aware that they had a choice about taking the policy. The fact that they only took cover for Mr W – I note that Mrs W was a public servant and so potentially eligible for better benefits than Mr W – rather than full cover for both of them suggests that they made an active choice based on their particular circumstances.

From what he has told us, I believe the policy would have paid out alongside and for longer than Mr W's employer benefits. As Mr and Mrs W were taking on a new financial commitment, I think it is entirely likely that they would have found the additional reassurance offered by the policy to have been of use to them.

The issue of whether Mr and Mrs W knew they had a choice about taking the policy is a difficult one. They have suggested that they didn't. I have not seen anything that specifically shows me that the policy was presented as optional, but I am aware that I do not have all of the paperwork from the time.

I have considered this with care, and I believe that, on balance, Mr and Mrs W knew they had options about taking the cover. I say this because there was no attempt by Clydesdale to include the MPPI application into the mortgage application document, and because the policy was sold only to Mr W although it was a joint mortgage. Had Clydesdale been attempting to make Mr and Mrs W feel that the MPPI was an integral part of their mortgage, I believe the policy would have been sold to both of them. On balance, I think that Mr and Mrs W made an active decision about the amount of insurance they wanted for their mortgage, and that they only wanted to cover Mr W's contributions.

In summary, while I think it is possible that there were shortcomings in the information provided by Clydesdale during the sale, I do not think that the policy Clydesdale recommended was unsuitable for Mr and Mrs W. I also don't think that their decision to buy the policy would have been different if all the information about it had been provided to them in a more clear or balanced way.

It follows that I do not consider that the policy was mis-sold and do not uphold Mr and Mrs W's complaint. I appreciate that this will come as a disappointment to them.

### **my final decision**

For the reasons I have set out above, I do not uphold this complaint. I make no award against Clydesdale Bank Plc.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs W to accept or reject my decision before 11 April 2016.

**Roxy Boyce**  
**ombudsman**