

## **complaint**

Mr J complains that he was mis-sold two payment protection insurance (PPI) policies by Nationwide Building Society.

## **background**

Mr J was sold PPI with loans that he took out with Nationwide in 1999 and 2000. The cost of the PPI was added to Mr J's loan accounts.

When our adjudicator looked at Mr J's complaint, he didn't think that Nationwide had mis-sold the PPI. Mr J has asked for his complaint to be reviewed by an ombudsman.

## **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'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 J's case.

I've looked first at whether it would have been clear to Mr J that he could choose whether or not to buy PPI.

I've seen a copy of Mr J's loan application forms. On both forms, he ticked a 'Yes' box to show that he wanted PPI. The forms also had a 'No' box which he could have ticked if he didn't want PPI. Mr J also signed the 1999 form under the 'Yes' box.

And the loan agreements that Mr J signed gave the cost of the PPI under the heading "optional credit insurance".

Mr J has said he was given the impression PPI was compulsory. But having looked at the paperwork from the time, I think he was given the choice and decided to add PPI to both loans.

Based on what I know of Nationwide's sales processes, I don't think it would have given Mr J advice about PPI. So it didn't have to make sure the policies were suitable for him. But it did have to give him information that was clear, fair and not misleading so that he could make an informed choice.

Mr J's loan agreements gave him information about the cost of the policies – including the premium, the interest, total cost and monthly payment. So I think he would have understood how much the PPI would cost if he kept the policies for the full term.

However, based on the evidence I've seen, I can't be sure that Mr J was given clear enough information about other features of the policies when he bought them.

But I also need to look at whether Mr J would have acted differently if he'd been given clearer information. Based on his circumstances at the time of both sales, I think it's unlikely to have changed his decisions because:

- Mr J's loans were significant monthly commitments. I think it's reasonable that he would have wanted to have some protection to cover his repayments.
- I think Mr J was most likely eligible for the policies. And he was unlikely to be affected by any of the things the policies didn't cover (such as pre-existing medical conditions) which might have made them less attractive.
- From what I know of policies that Nationwide sold, Mr J would have got a pro-rata refund if he cancelled the policies early.
- Mr J has said he had other cover, including some savings and support from his family and friends. The PPI could have covered Mr J's repayments until his loans were repaid if he was off sick. And it would also have offered protection for up to 12 months against unemployment. So I think the policies could have been useful to Mr J if he was off sick for some time or lost his job. And there's no guarantee that his family and friends would have been able to help when he needed it.

So even if Mr J had been given more information, I still think he would have taken out the policies. As a result, I can't uphold his complaint.

### **my final decision**

For the reasons given, my final decision is that I do not uphold Mr J's complaint against Nationwide Building Society.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr J to accept or reject my decision before 9 November 2015.

Matthew Young  
**ombudsman**