

## **complaint**

This complaint is about two monthly premium payment protection insurance (PPI) policies taken out alongside personal loans in July 2007 and July 2008. Mr K says Voyager Alliance Credit Union Limited (VACU) mis-sold him the PPI.

## **background**

I issued my provisional decision in January 2019, a copy of which is attached and forms part of this final decision. In my provisional decision I explained why I was not intending to uphold Mr K's complaint. I asked everyone to send me any further comments and information before I reached a final decision.

VACU had nothing further to add. Mr K provided further comments for me to consider which I've now done.

## **my findings**

I've re-considered all the evidence and arguments already sent to us to decide what's fair and reasonable.

As I've not received any new evidence, I've reached the same conclusions I reached in my provisional decision, for the same reasons

Mr K has said the tick in the box to select PPI in the application form isn't consistent with the other ticks on the application, so he's said he didn't tick for the PPI. I accept it may be possible that Mr K didn't tick the box himself. However, Mr K signed the application form to agree to its contents. And as Mr K was taking out additional credit I would have expected him to read over the form and if he didn't agree with anything on it then he could have raised it at the time. But as Mr K signed the application, I believe he wanted the cover.

With regards to the loan agreement, I've already said in the provisional decision that the selection of PPI is likely to have been a reflection of the choice made in the application. But Mr K signed this agreement, so I'm satisfied that he would've seen this document at the time with the selection for PPI included. And again, if Mr K didn't want PPI he could have raised this before signing in agreement with it.

Mr K has said PPI was not suitable for him. But as I've already explained, the policy provided accident and sickness cover for up to 24 months per claim – more than, and in addition to, the sick pay Mr K would have received. This would have given Mr K the option of not needing to use his sick pay to make his repayments or the option of using his sick pay to help pay for other living expenses that he may have had.

And as Mr K has said he was consolidating other debts at the time, I don't think this means that the recommendation to take PPI was unsuitable or that the policy wasn't right for him. So I still believe it would have been useful for him if something went wrong. Although Mr K has said that he had no history of illness, nobody can accurately predict the future and health circumstances can change even if Mr K had no history of health issues. Having this policy would help protect his financial position if Mr K was to experience an unexpected change in his health circumstances.

I've thought about everything Mr K has said but this doesn't change my decision.

**my final decision**

For the reasons I've explained, I don't uphold Mr K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 11 March 2019.

Sonia Hussain  
**Ombudsman**

**copy of provisional decision**

**complaint**

This complaint is about two monthly premium payment protection insurance (PPI) policies taken out alongside personal loans in July 2007 and July 2008. Mr K says Voyager Alliance Credit Union Limited (VACU) mis-sold him the PPI.

**my provisional 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 K's case.

I'm currently intending to not uphold Mr K's complaint and I'll explain why.

Mr K has said PPI was not explained and that it was included in the repayment figure – so he felt obliged to take it. VACU has said the optional nature of the policy would have been clear and it would have been up to Mr K to decide whether to take PPI or not. Where there's a dispute about what happened, I have to base my decision on what I think is most likely to have happened, taking into account all the evidence that is available.

VACU has provided the loan application completed at the time for the sale in July 2007. Within this form there is an option to select either "I do require" or "I do not require" for PPI. I can see PPI has been selected. VACU has also provided a copy of the loan agreement from the time. There is an option to select or decline PPI and I can see there is an "X" marked in the box to select PPI – which I believe reflects the choice made in the application. If Mr K didn't want PPI, he could have selected not to have it. But Mr K has signed the agreement which indicates he agrees with all the information in the agreement, including the PPI.

For the July 2008 sale, VACU has provided a copy of the information captured from the online application. I can see PPI was selected during the application. VACU has also provided a copy of the loan agreement completed at the time sale. There is an option to select or decline PPI and I can see there is an "X" marked in the box to select PPI – which I believe reflects the choice made in the online application. If Mr K didn't want PPI, he could have selected not to have it. But Mr K has signed the agreement which indicates he agrees with all the information in the agreement, including the PPI.

So overall and having taken everything in to consideration, I think VACU made it clear that Mr K didn't have to take out the PPI and he chose to take it out in both sales.

VACU didn't recommend the PPI to Mr K so it didn't have to check if it was right for him. But it did have to make sure Mr K got the information he needed to decide if it was right for him.

It's possible the information VACU gave Mr K about the PPI wasn't as clear as it should've been. But he chose to take out the PPI - so it looks like he wanted this type of cover. Based on what I've seen of his circumstances at the time it doesn't look like he was affected by any of the exclusions to or limits on the PPI cover - so it would have been useful for him if something went wrong. It also looks like the PPI was affordable. So I don't think better information about the PPI would have put him off taking out the cover.

Mr K has said he would have received three months' full followed by three months' half sick pay from his employer if he was too ill to work. But the policy provided accident and sickness cover for up to 24 months per claim. So I still believe it would have been useful for him if something went wrong

I've also thought about the commission Mr K paid on his PPI – and whether VACU treated him unfairly. VACU has told us that the commission for Mr K's PPI was less than half of what he paid for each premium. We've looked at how VACU has been working this out and based on what we've seen it looks like it's right – Mr K's commission was less than half the cost of the PPI. As that's the case, I don't think it needed to tell him about the commission – so I don't think VACU treated him unfairly. This means it doesn't need to pay Mr K back any of the commission he paid for the PPI.