

complaint

Mr and Mrs T say Bank of Scotland plc (trading as Halifax – “Halifax”) mis-sold them a payment protection insurance (“PPI”) policy.

background

This complaint is about a monthly premium PPI policy taken out with a secured loan in 1998. The PPI was taken out in Mr T’s name only.

Our adjudicator didn’t uphold the complaint. Mr and Mrs T disagreed with the adjudicator’s opinion so the complaint has been passed to me.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

The relevant issues to take into account are the same as those set out in the note on our website about our approach to PPI complaints.

I’ve decided not to uphold Mr and Mrs T’s complaint because:

- I think Halifax made Mr and Mrs T aware that the PPI was optional and that they chose to take it. Mr and Mrs T say they don’t recall PPI being discussed and didn’t even realise it had been added to their loan. But I’ve seen a copy of Mr and Mrs T’s loan agreement. This suggests that the agreement was completed following a discussion with an adviser. The agreement asked “*Do you want Personal Loan Repayments Insurance?*” The box had been checked ‘yes’ to say Mr and Mrs T did want PPI. If they hadn’t wanted it, I think the ‘no’ box would’ve been checked to refuse it. And both Mr and Mrs T signed the loan agreement which has a clear section highlighting the PPI in a separate column. I’ve thought about what Mr and Mrs T have said. But I don’t think there’s enough evidence for me to say Halifax added the PPI to Mr and Mrs T’s loan without their agreement.
- I think Halifax recommended the PPI to Mr and Mrs T but it doesn’t look as if it was unsuitable for them based on what I’ve seen of their circumstances at the time. The policy would’ve paid out in addition to any sick pay Mr T received and I can see that it paid out for up to 5 years for any accident or sickness claim. This would’ve been beyond any sick-pay entitlements Mr T was entitled to. The policy also provided 12 months redundancy cover. The loan was also secured on their home, so I think the policy would’ve been useful to Mr and Mrs T and would’ve provided them with peace of mind if Mr T was unable to work. I’m persuaded there was benefit in this cover.
- The cost of the policy was shown on the loan agreement. So I think Mr and Mrs T would’ve understood how much they would need to pay for it.
- It’s possible Halifax didn’t point out the main things the policy didn’t cover. But it’s unlikely Mr T would have been affected by any of these. I say this because he was in a full-time employed role and was in good health at the time of the sale. Any exclusions such as those relating to pre-existing medical conditions, or those relating to the self-employed wouldn’t have mattered to him. So I can’t say that if he was told this he would’ve changed his mind.

I've taken into account Mr and Mrs T's comments. But these points don't change my conclusion.

my final decision

For the reasons set out above, I don't uphold Mr and Mrs T's complaint and make no award against Bank of Scotland plc.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs T to accept or reject my decision before 4 January 2016.

Daniel Lucas
ombudsman