

summary and background to complaint

Mr and Mrs K have complained about the sale of a payment protection insurance (PPI) policy taken out in December 1998 in connection with a mortgage with Melton Mowbray Building Society ("MMBS").

MMBS says that an introducer was responsible for the sale of the mortgage and associated PPI. So MMBS says that it was not responsible for the sale of the PPI.

An adjudicator has looked at the case and agreed that MMBS wasn't responsible for the sale of the PPI. Mr and Mrs K have asked for an ombudsman to look into this so the case has come to me to make a decision.

I set out in my provisional decision dated 6 February 2019 why I was minded to find that MMBS wasn't responsible for the sale of the PPI. I invited both parties to let me have any further comments and evidence.

No further submissions have been provided by either MMBS or Mr and Mrs K.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

In my provisional decision I set out the following:

"The first thing I need to decide is whether MMBS is responsible for the sale of the policy. If I decide it is, then I can decide whether the sale happened as it should've done. If I don't think MMBS was responsible for the sale of the policy to Mr and Mrs K, then I'm not going to be able to uphold a complaint about the PPI sale against it.

I've looked at all the evidence provided and considered what MMBS and Mr and Mrs K have told us about the sale.

The mortgage was provided by MMBS. I've looked at the mortgage application form which has been completed with Mr and Mrs K's details and signed by them dated 8 October 1998. Under the "*Mortgage Payment Insurance Disclaimer*" heading, a tick has been marked in the box "*YES – I want insurance under the Society's scheme.*" and this section has been signed again by Mr and Mrs K and also dated 8 October 1998. There is also a separate "Mortgage Payment Protector Application Form" which has been completed and signed by Mr and Mrs K dated 8 October 1998. So I'm satisfied that the PPI was discussed at this time.

Within the mortgage application form there is a Client Verification Form headed "*FOR COMPLETION BY AN INTRODUCER ONLY*". This has a declaration which has been completed and signed by the introducer. There is also another page of the application form which has been completed with the introducer's details including the name, company and Mortgage Code Register of Intermediaries Registration Number.

In light of the above, I am satisfied that the introducer was responsible for the sale of the mortgage and associated PPI. As MMBS didn't sell the PPI (and wasn't

responsible for the introducer who did sell it), I'm minded to find that MMBS wasn't responsible for the sale. It follows that it wasn't responsible for carrying out the sale properly. So, as I don't think it has done anything wrong, I'm intending not to uphold the complaint against MMBS.

Mr and Mrs K have been given details of the introducer and company which was responsible for the sale of the PPI and they can complain to this company about the mis-sale if they wish to do so.

I've also thought about the commission Mr and Mrs K paid on their PPI – and whether MMBS treated them unfairly. MMBS business has told us that the commission for Mr and Mrs K's PPI was less than half of what they paid for each premium. We've looked at how MMBS has been working this out and based on what we've seen it looks like it's right – Mr and Mrs 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 them about the commission – so I don't think MMBS treated them unfairly. This means it doesn't need to pay Mr and Mrs K back any of the commission they paid for the PPI."

As neither party has provided any further evidence or arguments for consideration, I see no reason to depart from the conclusions set out in my provisional decision.

I know Mr and Mrs K will be disappointed that I'm reaching this conclusion. I'm sorry we can't help them on this occasion.

my final decision

For the reasons set out in my provisional decision and above, my decision is that is that Melton Mowbray Building Society wasn't responsible for the sale of the PPI and therefore I don't uphold this complaint against it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs K to accept or reject my decision before 4 April 2019.

Rachel Ellis
ombudsman