

## **complaint**

Mr B complains that Everyday Loans Limited mis-sold payment protection insurance (PPI) to him, with a loan.

## **background**

Mr B took out a personal loan through Everyday Loans in 2009. He bought a monthly premium PPI policy too. It was to cover the repayments on the loan if he couldn't work because of accident or sickness. It would also have paid off the balance if he'd died.

He's raised various issues about how the PPI was sold to him. In particular, he feels he was pressured into agreeing to have it.

Our adjudicator thought his complaint shouldn't be upheld. But Mr B disagrees, so it's been passed to me to decide.

## **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 B's case.

I've decided not to uphold Mr B's complaint. I'll explain why.

### *was Mr B given a fair choice?*

Mr B and Everyday Loans agree that the PPI was sold face to face, in one of its branches. But I haven't been given a note of that discussion. So I have to decide what's likely to have happened, based on the documents from the sale which I've seen, and what Mr B and Everyday Loans have told us about the sales process.

Mr B complains that Everyday Loans made it clear to him he wouldn't get the loan, without buying PPI. But Everyday Loans says taking out PPI wouldn't have been a condition of his loan, or influenced whether he got it. So I've looked at the documents I've been given, to see whether these made it clear he was free to choose whether or not to have the PPI.

In particular, I've read the loan agreement that Mr B signed. This included a section dealing with PPI. It said that the PPI 'is optional'. There were separate boxes for ticking whether he did or didn't wish to buy PPI. Both were equally prominent. I see that the box for wanting it was ticked. Mr B then signed the agreement.

The statement of price, which Everyday Loans says Mr B was also given before buying the PPI, said PPI 'is optional and is not a condition of your loan'.

I don't know what Everyday Loans told Mr B in their meeting. Everyday Loans says its representatives would always tell customers that PPI is optional. On the other hand, Mr B says Everyday Loans made it clear he wouldn't get the loan without buying it. He felt he 'had no other choice'.

I've thought carefully about what Mr B has said. I'm sure he's given us his best recollection of what happened. It's possible that on this occasion the sales adviser didn't follow Everyday Loans' normal sales process. And in any event, I think he or she probably encouraged Mr B to buy the PPI. It's also likely Mr B felt under some stress about getting the loan - he's told us he was 'desperate' to have it, and that it was a long meeting.

But that's not enough to lead me to conclude that Everyday Loans told Mr B he had to have the PPI, in order to get the loan. Or that he was put under any unfair pressure to agree to buy it.

Everyday Loans also says the loan had already been approved by phone, before the meeting took place, and that Mr B knew this. If that's right, it would make it even clearer to Mr B that PPI was a separate product and not something he had to have.

And from what I've read it seems Mr B didn't accept all of Everyday Loans' recommendations about insurance. So I think he thought about his options and decided what cover he wanted, and what he didn't.

So taking into account what Everyday Loans has told us about its procedures at that time, and the documents I've seen, I think it's likely Everyday Loans did enough to make it clear to Mr B that whether to have PPI was his own decision. And that he then chose to buy it.

*did Everyday Loans give Mr B good enough advice and information?*

Mr B doesn't think Everyday Loans recommended the PPI to him. But Everyday Loans says it did. And from what I've read, I think that's right. This meant Everyday Loans had to take steps to find out about his circumstances and needs, to make sure it would be suitable for him.

From what I know of his situation when he bought the PPI, and reading the terms of the policy, I think Mr B was eligible for it. He's told us he would've got sick pay amounting to full pay for six months and half pay for another six, if he'd been off work unwell. But the loan was for 30 months. And any benefits under the PPI policy would've been on top of any sick pay he got, and could've gone on for longer than that sick pay.

He's told us his wife wasn't working at that time. And that, apart from sick pay, without PPI he didn't have any savings or other means of meeting the loan repayments if he couldn't work. The benefits available under the PPI policy were worth much more than it cost. And I don't think any of the main things it didn't cover would've put him off having it.

So overall, I think the policy that Everyday Loans advised Mr B to buy was suitable for him. But Everyday Loans also had to give Mr B clear and fair information about the cost and main features of the PPI, so he could decide whether to buy it.

I don't know what was said about the PPI by Everyday Loans' adviser. So I've looked to see what the documents show Mr B was told in writing about its cost and terms.

I see that the statement of price set out the total cost of the policy over the length of the loan. And this document, and the loan agreement he signed, both gave him a figure for the average monthly cost.

But from what I've seen, I think Everyday Loans could've made the information about the cost clearer. In particular, it could've explained that the way the PPI was paid for meant it cost more at the start than later in the loan period. So Mr B would pay less towards his loan early on, and more interest on his overall loan than if he didn't have PPI.

However the 'missing' information only concerned a small amount of money. So I don't think having slightly better information about the cost would've changed his mind.

I've looked too at what Everyday Loans told him about the main terms of the PPI. In my view the paperwork, particularly the 'needs analysis form' that Mr B signed, suggests there was a discussion about his circumstances, and about the different sorts of PPI available.

The notes on that form say he told the adviser he'd like to ensure his payments were made each month if he was off work for a long time due to accident or sickness, and to have the loan paid off if he died so it wouldn't be a burden on his family. But he felt he didn't need cover for unemployment, as he thought the redundancy payment he'd get would clear his debts and tide him over until he got a new job.

So I think it's likely the Everyday Loans adviser gave him some details of the benefits and key features of the PPI during their discussion, asked him questions about his job and health, and recommended the PPI to him. And that he then decided to have that cover, which was for accident, sickness and life.

The 'customer review document' that Mr B signed said that the cost, benefits, exclusions and key terms of the PPI had been explained to him. Everyday Loans says too that as part of its process it'll have given Mr B written details of the policy. But I don't know whether he got those, and if so when – or whether he had chance to read them before agreeing to have PPI.

So overall, based just on what I've seen and been told, it's possible Everyday Loans could've made some of the information about the cost and terms of the PPI clearer. But even if he'd been given better information before buying it, I don't think that would've made any difference.

In view of his financial situation, in particular having no means of meeting the repayments if he wasn't working (apart from sick pay for much less than the length of the loan), I think Mr B would probably still have decided to buy the PPI. It could've been useful for him.

I know Mr B feels strongly about his complaint. And I've thought very carefully about all the points he and his representatives have made. But on balance, from the information I've got, it wouldn't in my view be fair and reasonable to uphold it.

I don't think Mr B is worse off as a result of anything Everyday Loans did wrong. Which means there's nothing Everyday Loans needs to do to put things right.

I'm told Mr B also took out other loans through Everyday Loans, but this decision's just about the PPI with the loan he got in November 2009. Mr B has also briefly mentioned concerns about the arranging of the loan itself, but if he feels he has any reason to complain about that, or about the life insurance he also took out, that'd be a matter for a separate complaint.

### **my final decision**

For the reasons I've explained, I'm not upholding Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 7 April 2016.

Chris Langford  
**ombudsman**