

## complaint

This complaint is about a regular premium payment mortgage protection insurance (MPPI) policy. Mr K says Mortgage Intelligence Ltd ("MIL") trading as New Dawn Mortgage Services Limited, mis-sold him this policy.

## background

In 2005, Mr K took out an MPPI policy with his mortgage which covered him in the event of being unable to work through accident or sickness.

Our adjudicator in this case thought the complaint shouldn't be upheld. But Mr K disagreed so the complaint has been passed to me for an ombudsman's decision.

## 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 this case.

Having done this, I've decided not to uphold Mr K's complaint.

Not all the records from the sale are still available but given the time that's passed this isn't surprising. MIL was able to send me some documents and I've used these together with what I've been told by both parties to help me decide what's likely to have happened.

This policy was sold during a meeting and was recommended to Mr K as part of an 'advised' sale. So MIL was under an obligation to make sure the policy was suitable for his needs. It also had to provide information that was clear, fair and not misleading so he could make an informed choice about whether or not to go ahead and buy the policy.

I've not been sent anything that specifically shows Mr K signed to agree to the policy but MIL sent me a *Demands and Needs Statement* and also a *Client Review* document. I think it's fair to say that both these documents are records from the time which detail Mr K's financial situation and preferences when he was taking his mortgage out.

On the first of these I can see the cost, benefits and brief details of the MPPI policy are set out. And on the second, the fact that Mr K wants to protect his mortgage repayments in the event of something unexpected happening is recorded.

Finally, I was sent a *Key Facts* document from the sale. This sets out that Mr K doesn't need to buy this type of insurance with his mortgage.

So whilst I don't have access to a signed MPPI application form, I think these documents, taken together, strongly suggest Mr K knew what the policy was and that he had a choice in whether or not to buy it.

I then looked at Mr K's age, job, health and circumstances of the time to help me decide whether the policy was suitable for him. I think he was eligible for the MPPI at the time and I don't think that he'd have been caught out by any of the major policy exclusions. He didn't

have any sickness cover through his job and he didn't have any savings to rely on. So I can see how he could have had a use for this type of policy.

In the event of a successful claim, it could have paid a monthly benefit to help cover mortgage costs for up to 12 months. The cost of the MPPI policy seems comparable with others marketed at around that time and there's no evidence to suggest it was unaffordable for him.

So I don't think the policy was unsuitable for Mr K.

MIL said Mr K was also given a number of other documents to explain the cover and it sent us copies. I looked at an *insurance quotation* which said it was valid for the next 30 days. In my view, the cost of the MPPI is made clear and is shown as being separate to his mortgage. MIL also sent us a copy of the policy features summary which it said would have been given to Mr K.

I can't be sure Mr K received these documents and I can't say what was said during his meeting with MIL and whether he was given all the information he should have been. But I don't think this would have made any difference to whether he would have still bought the policy.

From what I've seen in this case, the documentation suggests a long discussion and the disclosure of quite a lot of information about the policy. Taking all his circumstances in to account, I think he had a need for the cover and that's why he bought it. Policies of this type are there to remove the added pressure of paying a mortgage whilst in financially difficult times such as becoming unable to work and I think the evidence in this case shows Mr K wanted to protect himself in this way.

#### **final decision**

For the reasons set out above, I don't uphold Mr K's complaint. And I don't direct Mortgage Intelligence Ltd to do anything to put matters right.

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

Michael Campbell  
**ombudsman**