

complaint

Miss D says AIB Group (UK) Plc (AIB) mis-sold to her payment protection insurance (PPI) policies.

background

In March 1995, Miss D arranged a loan for £1,500 with AIB. At the same time AIB sold her a PPI policy to protect the loan. The cost of the policy (£147.19) was added to the loan and attracted interest. The monthly payment for the policy was £7.18.

In September 1996 Miss D arranged another loan with AIB for £1,100. AIB sold Miss D PPI again to protect the loan. The cost of the policy (£63.42) was added to the loan and would attract interest. The monthly payment for the policy was £5.80.

In May 1997 Miss D arranged a further loan for £900. At the same time she took out a PPI policy to protect the loan. The cost of the policy (£76.54) was added to the loan and attracted interest. The monthly payment for the policy was £7.02.

And in November 1997 Miss D took out a loan for £1,030. And AIB sold Miss D a PPI policy to protect this loan. The cost of the policy (£88.08) was added to the loan and would attract interest. The monthly payment for the policy was £8.11.

Each loan from September 1996 was partly used to repay the previous AIB loan, at the same time as increasing Miss D's borrowing. When the first three AIB loans were repaid an amount of the PPI premium was refunded to Miss D. Miss D's last loan from November 1997 ran until the end of its term.

Each policy would pay a monthly benefit so that the loan payments could be made if Miss D couldn't work because she was sick or lost her job. The policies also provided life cover to repay the outstanding balance if she died.

Our adjudicator considered Miss D's complaint and reached their conclusion that her complaint should not be upheld. This was because they thought the policies were right for Miss D and if she'd had better information about the cover she still would have gone ahead with them.

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 Miss D's case.

I've decided not to uphold Miss D's complaint for the reasons below.

Miss D told us she thought that PPI was compulsory and she was pressured to take it out. AIB says Miss D would've been aware that she had a choice in taking out PPI.

I understand that both AIB and Miss D agree each sale took place in a branch. I also understand Miss D has provided as much information as possible about what happened

when she made her complaint to AIB and in her submissions to us. AIB hasn't been able to provide any of Miss D's actual paperwork from each sale. Instead AIB has provided us with examples of the paperwork it says Miss D would have seen when she took out each of the PPI policies.

I don't know what would've been said at any of the meetings and given none of Miss D's actual paperwork is available this makes it very difficult to know exactly what happened. I've therefore had to consider what I think *most likely* happened at the time of each sale.

I've carefully considered all the example paperwork AIB has provided and I can see that all the documents that have been made available show Miss D would've been able to accept or decline the PPI.

I've also not seen anything to suggest Miss D was led to believe that PPI was a requirement of any of the loans being approved. Or that she was pressured to have PPI at any of those meetings.

Miss D suggested she was advised to take out PPI. But AIB has said its sales process meant advice wouldn't have been given to Miss D. I don't know what was said, but as Miss D's submissions are limited and I've not seen enough to make me think AIB didn't follow its usual sales process, overall I've not seen enough to make me think AIB advised Miss D at the time of any of the sales.

This meant AIB didn't have to assess Miss D's circumstances to make a suitable recommendation for her at each sale. Instead it had to give Miss D enough clear information about the policies so she could decide if she wanted them.

It's possible AIB didn't give Miss D all the information she needed to help her decide if she wanted to take out these policies. But I think, even if Miss D had been properly informed, she still would've taken out the PPI cover given her circumstances at each sale.

Miss D was solely responsible for the loan repayments and she was increasing her financial commitments each time. Miss D may have had some sick pay through her employer, but the policies would've paid in addition to any sick pay Miss D may have had. And I've not seen anything to suggest Miss D had any other reliable way of being able to meet her repayments if she needed.

I've not seen anything in Miss D's circumstances to suggest she would've found it difficult to claim under any of the policies – she was employed and in good health. And she was eligible to take out the PPI.

So, overall, I think Miss D could've found the policies potentially useful for her circumstances.

I don't know what may have been said about the cost of the policies. And the example documentation provides limited information about how the PPI policies would cost in total – although the documents do show each PPI premium would've been part of the total borrowing and so they would've attracted interest.

However, the 'missing' information about the cost of each policy was a small amount, and so I don't think Miss D would've reached a different decision about taking out the policies if she'd known the cost at each time.

If the policies were cancelled before the end of the term I can see that Miss D wouldn't necessarily have got back as much of the PPI premiums as she might have expected. For example, if Miss D cancelled the policies half way through their terms, she would not have received half of those premiums back in return. Instead, she would've received less than this.

I can't be sure this was ever made clear to Miss D when she met with AIB on each occasion. The information is buried in the policy booklet and I don't know what may have been said to Miss D. There's no indication at the time Miss D arranged her first loan with AIB in March 1995 that she had any intention of repaying her loan early. So I don't think this would've mattered to her when she arranged her first loan or affected her decision to have PPI then.

I've also carefully considered what Miss D's representatives have said about the subsequent loans that were all used, in part, to clear the outstanding balance of the previous AIB loan. However, given the amounts of the PPI premiums involved it's difficult for me to say this would've made a difference to Miss D's decision to take out the PPI for those loans. So, on balance I think she still would've taken out these policies.

This isn't an easy case to decide given the limited evidence and information available, but overall I've no reason to think AIB didn't follow its sales process each time. So I think Miss D most likely knew she had a choice in taking out the policies. And while I think Miss D could've been given better information about the benefits of the PPI policies, their features and cost, given Miss D's circumstances at the time of each sale, I don't think this would've changed her decision to take out the policies if she had been properly informed.

my final decision

For the reasons above, my final decision is that Miss D's complaint is not upheld. And I make no award against AIB Group (UK) Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 11 April 2016.

Kristina Mathews
ombudsman