

## **complaint**

Mr F complained that he was mis-sold a credit card payment protection insurance (PPI) policy by HFC Bank Limited ("HFC").

## **background**

Mr F took out the PPI policy with a credit card. HFC said that this happened in July 1997, and that Mr F applied for the card (and PPI) by post. It said it didn't advise Mr F to take the cover. Mr F didn't agree, saying that he'd taken out the credit card much earlier, and that the PPI had been added at a later date without his knowledge and consent.

The policy cost 59p for each £100 owed. If Mr F had successfully claimed on the policy for sickness or unemployment, it would have paid 5% of the balance owing when he stopped work. This would've carried on for up to 12 months per claim.

Our adjudicator thought HFC could've explained the cost and benefits of the policy more clearly. But she thought Mr F would still have bought the policy if it had. So she didn't uphold the complaint.

## **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 F's case.

I've decided not to uphold Mr F's complaint.

HFC said it couldn't give us a copy of Mr F's credit card application form, because it was taken out so long ago and the account has since been closed. But it sent in a sample copy of an application form from 1997, along with various copies of its computer records of Mr F's account.

Mr F queried the different credit card numbers shown on the records. But as far as I can see they were all issued on the same account – and it's not unusual for the number on a card to change when it's replaced on expiry, or if the branding changes.

I've kept in mind what Mr F said about the credit card having been taken out earlier than 1997. But HFC's computer records show a start date for the card and PPI of July 1997, and a code that indicates that the application was made by post. Mr F couldn't give us anything showing an earlier date. And his recollections of what happened aren't that clear – which isn't surprising as it was so long ago. So from what I can see, I think it's most likely that Mr F took out the card and PPI by post in 1997.

As I've said, I have a sample copy of a credit card application form from 1997. I think it's reasonable to take this as representative of what Mr F would've used. The form includes 'yes' and 'no' options that the applicant can tick to say whether or not they want PPI. So I think it's most likely that a choice was available to Mr F.

I've also kept in mind that the PPI premiums would've been shown on Mr F's account statements. Although HFC only sent in a few copies of Mr F's actual statements, I can see that the PPI premiums are shown separately. So if Mr F hadn't agreed to the PPI, I think the

premiums would've alerted him to it - and I think it's reasonable to say he would've queried it sooner than he did.

Overall, on the limited evidence that I have, I don't think there's enough for me to fairly say that the PPI was added without Mr F's consent. On balance I think it's most likely that Mr F chose to take the PPI when he applied for the card, and just doesn't remember doing so given that it was all so long ago.

I don't think HFC advised Mr F to take out the PPI. So it didn't have to make sure it was suitable for him. But it should've given him enough information to decide if the policy was right for him.

I don't think HFC clearly pointed out the main things the policy doesn't cover. But from the information I have, I can't see that Mr F would have been affected by any of these.

HFC could've explained the cost and benefits of the policy more clearly. I don't think Mr F would've realised that he would've had to keep paying for the policy during a claim. And I don't think he'd have realised the premium would be added to his credit card balance and he could be charged interest on it.

However, Mr F told us that, at the time of the sale, he was employed and in good health. He said he was entitled to six weeks' sick pay from his employer (with statutory sick pay afterwards) and that he had a small amount of savings. He said he could've relied on his parents to help out if he was in difficulties – but their circumstances could've changed so their help couldn't be guaranteed.

The policy benefits were payable for up to 12 months, which was substantially longer than Mr F's sick pay entitlement, and in addition to that sick pay. Mr F could also have claimed in the case of unemployment. So, given Mr F's limited resources had he lost his income, it seems to me that the policy benefits could have been of value to him, even at this relatively modest level of benefit. And from HFC's computer records I can see that Mr F *did* successfully claim on the policy – it appears to have paid out in July and August 2004, with a further payment in November 2004 (HFC said this last payment was to correct an earlier underpayment).

I do understand that Mr F feels strongly about this. But from the evidence I have, I think it's most likely that Mr F would still have bought the policy if he'd had more information about the cost and the benefits. This means Mr F is not worse off as a result of what HFC did wrong, so there's nothing it needs to do to put things right.

### **my final decision**

For the reasons I've explained, I've decided not to uphold Mr F's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 29 April 2016.

Jan Ferrari  
**ombudsman**