

complaint

Mr and Mrs C complain that Yorkshire Building Society, trading as Norwich and Peterborough Building Society ("Yorkshire") mis-sold them a payment protection insurance ("PPI") policy.

background

Our adjudicator initially upheld the complaint, but Yorkshire provided some further information about the complaint which led to the case being passed to a second adjudicator.

The second adjudicator didn't uphold the complaint. Mr and Mrs C didn't agree, and so the case has been passed to me for a final decision to be made.

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 explained our approach to complaints about payment protection insurance on our website, and I've used this approach in this case.

I'm not going to uphold this complaint. I'll explain why.

Yorkshire accepts it advised Mr and Mrs C to take the PPI. So it had to make sure the policy was suitable for them, and also that it gave them enough information so they could decide whether to take it out.

Mr and Mrs C say that they never asked for the PPI. I haven't seen any documentation that confirms how the PPI was sold. But because the PPI was sold as long ago as 1998, this isn't particularly surprising. But there are two pieces of evidence I have seen which mean I think that it is more likely Mr and Mrs C chose to take out PPI.

In the mortgage offer sent to Mr and Mrs C in 1998, it "strongly advised" Mr and Mrs C to take out PPI cover to protect their mortgage. And in 2003, there is evidence that Mr and Mrs C chose to increase the level of their cover. We've asked Yorkshire if the cover could've been automatically increased, and it has shown us evidence that suggests Mr and Mrs C asked for a form so they could increase their cover. Taking these two pieces of information together, although it is far from making me *sure* Mr and Mrs C wanted to take out PPI, it does make it *more likely*, in my view, that they chose to take it out. I think it's unlikely they'd have chosen to increase the cover in 2003 if they hadn't wanted it in the first place..

I think the PPI could've provided them with a useful benefit if Mr C (who was the person covered by the policy) had been off work ill or lost his job. I say this for the following reasons:

Mr C met the policy rules, and I don't think he'd have been affected by any of the main things the policy didn't cover.

The cost of the policy was fairly modest, being less than £20 a month after the increase in benefit level. But it would've given Mr and Mrs C the peace of mind that they'd have had their mortgage paid if Mr C had been out of work for a lengthy period of time. I've seen evidence that Mr C had good sick pay, but that it was "not guaranteed". He also would've

been covered if he lost his job. I think they'd have rather paid the cost of the policy rather than run the risk of defaulting on a debt secured against their home.

my final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs C to accept or reject my decision before 15 February 2016.

Nigel Hamilton
ombudsman