

complaint

Mr P has complained that Lookers Motor Group Limited ("Lookers") mis-sold him a payment protection insurance ("PPI") policy in 2005 when he took out a loan to buy a vehicle. The policy provided life, accident and sickness cover.

background

One of our adjudicators looked at this complaint and thought that it shouldn't be upheld.

Mr P disagreed with the adjudicator's opinion, so the complaint has been passed to me to consider.

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.

I've decided not to uphold this complaint and I'll explain the reasons for this.

Firstly, I've looked at whether it was made clear to Mr P that the policy was optional. I've looked at the paperwork from the time of the sale and the testimony of both parties to help me decide what's most likely to have happened.

The sale took place at a meeting and Mr P told us that he wasn't informed that the PPI was optional.

I can see that on the signature page of the credit agreement, there was a section about the PPI. It stated:

"If you want to buy the optional Standard Life, Accident and Sickness Capital Care credit insurance please tick box."

This box was ticked and Mr P's name was written in as the insured person. He signed the agreement immediately above this section.

There's no way of knowing exactly what happened at the meeting, but the paperwork doesn't suggest that the policy was presented as compulsory. And as Mr P was entering into a serious financial commitment, I think it's most likely he would have read this before signing it. So on balance, I think it's most likely that Lookers made it clear that the PPI was optional and Mr P understood that he had a choice about whether or not to take out the policy.

Next I've looked at whether the policy was suitable for Mr P.

First of all, there were rules about who could qualify for the policy and based on the information that's been provided to us, it looks like Mr P met those rules.

I've also checked the main exclusions and restrictions of the policy and it doesn't look like Mr P would've been caught out by any of them. Mr P has complained that he wouldn't have been able to claim on the policy because he was self-employed. But any exclusions or restrictions about self-employed policyholders wouldn't have applied to Mr P, because he didn't take out unemployment cover.

Mr P told us he wasn't entitled to any sick pay and he also told us he had no savings to call upon. If Mr P was too ill to work the PPI would've covered the loan repayment and given him peace of mind. So overall, I think that the policy was suitable for him. It also appears to have been affordable for him.

Finally, Lookers had to give Mr P information that was clear, fair and not misleading so he could make the decision for himself about whether or not to take the policy. He's told us that he wasn't given information about the cost. But I can see that on the signature page, in the section about the PPI, the monthly cost of the premium was clearly stated.

It's possible that Lookers didn't give Mr P clear enough information about the benefits, main exclusions and restrictions of the policy. But for the reasons I've already explained above, I don't think that Mr P would have been affected by the main exclusions and restrictions and so I think that he would have been able to claim on the policy if he'd needed to. So on balance, I don't think having better information would have changed his decision or would have put him off taking it out.

my final decision

For the reasons set out above, I'm not upholding this complaint.

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

Katrina Hyde
ombudsman