

## **complaint**

Mr Y complains that Financial Insurance Company Limited ("FICL") mis-sold him a payment protection insurance (PPI) policy in 2004.

It's been agreed in this case that Financial Insurance Company Limited ('FICL') as the insurer should accept responsibility for the complaint. Black Horse Limited sold the policy to Mr Y, but to keep things simple I'll refer to FICL in my decision.

## **background**

In September 2004, Mr Y took out a hire purchase agreement and was also sold a single premium PPI policy to protect his repayments. The sale took place during a meeting in a car showroom where Mr Y completed and signed documents relating the agreement and insurance.

Mr Y believes that FICL mis-sold the policy. He does not think FICL informed him that PPI would be added or that costs were disclosed at anytime.

Our adjudicator upheld the complaint. Mr Y disagreed with the adjudicator's opinion so the complaint has been passed to me.

## **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 Y's case.

I am currently minded not to uphold Mr Y's complaint. Here are my reasons:

- I think FICL made Mr Y aware that the PPI was optional and he chose to have it. I say this because I can see that the sales documentation from the time of sale made it clear that PPI was optional. So I can't fairly say FICL didn't explain that it was an optional feature based on what I have seen.
- I don't think FICL advised Mr Y to take out the policy but it doesn't look as if the policy was unsuitable for him anyway based on what I've seen of his circumstances during the times of sale. Mr Y was eligible for it and the policy would have paid the loan repayments, in addition to any sick pay that Mr Y would have received, if he was unemployed or if he couldn't work because of accident or sickness, giving him a useful benefit at a difficult time. And he doesn't appear to have had significant other means he could have relied on.
- If the loan had been repaid early Mr Y would have been given a non pro-rata refund so there may have been issues regarding this. But I've seen nothing to suggest that he thought it might be possible he would repay the loan early at the time of sale, so that feature didn't make the policy unsuitable for him.

- It's possible the information FICL gave Mr Y about PPI wasn't as clear as it should have been. But I can't reasonably say that he wouldn't have benefitted from having PPI. Mr Y was not affected by any of the exclusions or limitations and the PPI policy seems to have been affordable.
- The hire purchase agreement provided for the sale sets out what Mr Y would have seen at the time of sale. It shows what he would need to borrow to pay for the PPI, the interest he was being charged on the PPI part of the agreement, the monthly cost to repay the PPI and the potential total cost of the whole hire purchase agreement. So I can't fairly say that Mr Y wasn't made aware of the overall cost. It seems likely to me that he would have understood what he was paying for.

On balance, I think Mr Y has not been mis-sold PPI by FICL.

### **my decision**

For the reasons set out above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr Y to accept or reject my decision before 30 October 2015.

Mark Richardson  
**ombudsman**