

## **complaint**

Mr and Mrs B say Nationwide Building Society (Nationwide) mis-sold them a number of regular premium mortgage payment protection insurance (MPPI) policies.

## **background**

Mr and Mrs B were sold MPPI policies in 1993, 2000, 2006 and 2008. Nationwide initially told us that it thought we couldn't look at the complaint about these policies because Mr and Mrs B had complained outside of the time limits that apply. Our investigator considered this and agreed with Nationwide on all but the 1993 sale – which she thought was made in time given the particular complaint points that had been made about it.

Nationwide agreed with our investigator's view of how the relevant time limit applies in this complaint. Mr and Mrs B didn't agree or disagree. So our investigator went on to consider the merits of the 1993 sale – which is all Mr and Mrs B have referred to when responding. As a result, it's only this particular sale that I've looked at as part of this decision.

Mr and Mrs B say the policy was sold in branch – and Nationwide says it only covered Mr B.

Mr and Mrs B initially complained about the policy not being optional. They also said they were pressured into taking it.

Our investigator didn't uphold the complaint. Mr and Mrs B disagreed with the investigator's opinion because they now say they didn't know it had been sold to them. 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 MPPI on our website – and I've taken this into account in deciding Mr and Mrs B's case.

Having done that, I'm not going to uphold it. I realise this will be disappointing for Mr and Mrs B because I know this is a complaint they feel strongly about. But I hope that my explanation helps them to understand and accept why I've reached the conclusion I have.

Mr and Mrs B now say that they didn't know they'd been sold the MPPI policy in 1993 – having initially complained about the pressure they were put under and the policy not being optional. These complaint points are at odds with each other as it's not possible to have not known about a policy that they say they were pressured to take out.

I don't *know* what was discussed in 1993 as the sale took place over 20 years ago. But I have thought carefully about what the parties have said, including everything Mr and Mrs B have said throughout this complaint. And while I don't doubt that their recollections have led them to believe the policy was mis-sold, I don't think there's enough to say they were pressured or that they didn't know they were being sold MPPI.

Mr and Mrs B *had* to take the MPPI policy when they took their mortgage with Nationwide because they were borrowing more than 90% of the purchase price. Lending conditions such as this were and are legitimate commercial judgements with which we don't usually interfere. However, despite this, Nationwide did have to make it clear to Mr and Mrs B that MPPI was a qualifying condition. Unfortunately it can't provide us with much information from the sale itself. I understand why Mr and Mrs B might find this frustrating. But it's neither surprising nor unusual given how long ago the policy was sold. And as Nationwide's responsibility to hold on to such information was limited by data protection laws, it was entitled to assume that the data could be disposed of without prejudicing anyone.

Nationwide has shown us a sample of what it says is the relevant page from the mortgage application form in use in 1993. This shows me that it probably would've been apparent at the time that MPPI was a condition of lending. So, in the absence of other information from the sale itself or further information to support what Mr and Mrs B's complaint, I can't say they weren't made aware that the policy was a qualifying condition of their mortgage.

And as I find it unlikely that Mr and Mrs B wouldn't have known that they could've gone elsewhere for a mortgage, I think they could've taken the decision to approach other mortgage providers if they didn't want to take what Nationwide was offering them. So I don't think there's a reason to uphold their complaint on this basis.

The MPPI policy was something Mr and Mrs B had to take with their mortgage. But Nationwide still had to make sure that they were given clear information, and enough of it, to make a well informed decision when agreeing to take the policy and, by extension, the mortgage. So that's what I've looked at.

I don't *know* if the cost and benefit of the policy were clearly disclosed before Mr and Mrs B agreed to take it. So it's possible Nationwide could've explained these better than it did. But Mr and Mrs B were taking on a significant financial commitment secured against their home. So the policy did provide important protection. I accept they might've had some savings available to them – but the policy did provide extra breathing space and peace of mind. And as it was something they *had* to take with their mortgage, I think they would've still bought it even if the cost and benefit had been disclosed as clearly as they could've been.

It's also possible Nationwide didn't give Mr and Mrs B all of the information it should've on what the policy did and didn't cover. But this doesn't mean the policy was mis-sold because I don't think Mr B would've found it difficult to claim under the policy. And given Mr and Mrs B's circumstances at the time, I don't think they would've done something different – and not taken the policy and mortgage – had they been given all of the information they should have had.

I want to reassure Mr and Mrs B that I have looked at all the information I have about their complaint. But having done so, I don't think Nationwide mis-sold the MPPI policy.

**my final decision**

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs B to accept or reject my decision before 1 March 2017.

Morgan Rees  
**ombudsman**