

complaint

In 2000 Mr and Mrs M took out a mortgage with The Royal Bank of Scotland Plc (Royal Bank of Scotland). Mr and Mrs M complain that the Royal Bank of Scotland mis-sold them monthly premium payment protection insurance (PPI) at the same time.

background

At the time of the sale both Mr and Mrs M were employed and Mrs M was entitled to some sick pay. Mr and Mrs M did not have any existing medical conditions.

The adjudicator has recommended that this complaint is not upheld. Mr and Mrs M have asked for this complaint to be reviewed by an ombudsman. Mr and Mrs M say that the PPI was not sold in their best interests and the policy terms and conditions were not explained to them.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

We have set out our general approach to complaints about the sale of PPI on our website and I have taken this into account in deciding Mr and Mrs M's case.

I have decided not to uphold Mr and Mrs M's complaint.

Royal Bank of Scotland has not been able to provide us with the documents from the time of the sale of this PPI to Mr and Mrs M but have provided us with example sales documents used at this time. This is because this PPI was sold to Mr and Mrs M around 15 years ago and the PPI was cancelled in 2008 when the mortgage was repaid.

Mr and Mrs M have said that they did not know that they had PPI with this mortgage. Royal Bank of Scotland has provided us with the separate form for PPI (*Mortgage Languard Payment Protection - Application Form*) that they say would have been used at the time of the sale to Mr and Mrs M. As we do not have the actual documents completed by Mr and Mrs M I am making this decision based on what is likely to have happened. I think that as a separate application form was to be completed Mr and Mrs M would have known that they had PPI with his mortgage. So I consider that it is likely that Mr and Mrs M had a choice and did know that they had been sold this PPI with this mortgage.

Royal Bank of Scotland says that this PPI policy was not recommended to Mr and Mrs M. Based on the limited information and what Royal Bank of Scotland and Mr and Mrs M have told us I think that it is likely that Royal Bank of Scotland did not recommend this policy to Mr and Mrs M. This means that Royal Bank of Scotland should have given Mr and Mrs M information that was clear, fair and not misleading to allow them to make an informed choice about whether to take out this PPI policy. So I have looked at whether Royal Bank of Scotland gave all the information to Mr and Mrs M that he needed to make an informed choice. To do so I have looked at the information and documents that the Royal Bank of Scotland say would have been used for both of these sales.

Mr and Mrs M were eligible for the policy – they were UK residents, employed and in good health. Also I do not think that Mr and Mrs M would have been affected by any of the

significant limitations or exclusions from the cover relating to issues such as existing medical conditions or unusual employment terms. It appears that the cost and benefit were reasonable compared to other similar policies. Given the information that we have about Mr and Mrs M's circumstances at the time of the sale this PPI does not seem to have been unaffordable or unsuitable for them. Also the policy would have been useful in the event of longer term sickness or unemployment as it would have paid the monthly mortgage in addition to any other benefits or help that Mr and Mrs M had and for longer than Mrs M's employee benefits.

It is possible that Mr and Mrs M did not get all the information they needed to help them to decide about buying this policy. But even with better information, I still think that they would have made the same decision given that they were borrowing a significant amount of money and given the consequences of them not being able to meet the monthly repayments. This means that although Royal Bank of Scotland may have failed to provide Mr and Mrs M with enough information to make a proper choice, Mr and Mrs M are not worse off as a result of what they did wrong, so there is nothing that Royal Bank of Scotland needs to do to put things right.

So I have decided not to uphold this complaint.

my decision

For the reasons set out above, I do not uphold Mr and Mrs M's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs M to accept or reject my decision before 11 April 2016.

Tonya Richards-Clarke
ombudsman