

complaint

Mrs W says that Bank of Scotland plc (BoS) mis-sold her mortgage payment protection insurance (PPI).

background

Mrs W took out a mortgage with BoS in 2001. At the same time she bought monthly premium PPI to cover her repayments if she'd been unable to work.

Mrs W told us that she was advised to buy the policy with her mortgage. She's now unhappy because she didn't *have to* buy PPI. Mrs W's representatives had various other concerns about the sale, for example that the terms and conditions of the policy hadn't been explained. BoS says that Mrs W wanted PPI and that it was suitable for her.

The adjudicator didn't uphold Mrs W's complaint. She disagreed and so the case has come to me for a final decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of the 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 Mrs W's case.

I'm not upholding Mrs W's complaint. I'll explain why.

Mrs W couldn't tell us in much detail about what happened during the sale. But BoS has given us copies of various documents from the time of the sale. These include a mortgage questionnaire that was completed at the time with information about Mrs W's circumstances and requirements. I've also seen Mrs W's mortgage application and the policy documents that BoS say she would've been given.

Mrs W's representatives say that she felt under pressure to buy the policy and that she felt PPI was a condition of getting her mortgage. I can't be sure what was discussed between Mrs W and BoS, or how the policy was presented to her. I'm sure that BoS advertised the benefits of PPI. But that's not the same as making PPI a specific condition of approving Mrs W's mortgage.

I can see on the mortgage questionnaire that Mrs W declined to buy critical illness cover. As this was an element of the insurance package on offer it suggests that at the time she realised she had a choice about the products on offer. I also noticed that on her mortgage application she signed a separate section about PPI saying that she wanted the cover. Having thought about all the information I have about the sale, I can't fairly conclude that BoS insisted that Mrs W bought PPI. I think it's more likely that Mrs W was aware it was optional and decided at the time that buying PPI would provide her with potentially useful benefits.

It's agreed that BoS advised Mrs W to buy PPI. This means that it needed to take reasonable steps to make sure that the policy was right for her. I've thought about the policy benefits, the cost of cover and the overall financial circumstances of Mrs W from the time of the sale. I think it's likely that:

- Mrs W was eligible for the policy.
- Mrs W wouldn't have been affected by the main exclusions or limitations in the policies, such as those for existing medical conditions.
- Mrs W told us that she was entitled to more than 3 months but less than six months sick pay from her employer. But PPI would've paid out in addition to any money she would've received and given her cover for up to 24 months per successful claim. So I think the policy would've given Mrs W peace of mind about meeting the repayments on her mortgage, which was a significant financial commitment.
- PPI would've also given Mrs W cover if she'd become unemployed. So the policy provided her with other potentially useful benefits.
- The PPI was competitively priced. At the time the policy seems to have been affordable. The PPI was paid for by a regular premium so the policy could've been cancelled without penalty.

So when I weigh everything up, I think that the policy was suitable for Mrs W.

BoS also needed to make sure that Mrs W had enough information so that she could make a proper choice about whether PPI was right for her. I don't know how much detail the adviser went into during the meeting with Mrs W or how things were explained.

But even if there were problems with the information and advice that BoS gave to Mrs W, I don't think it would've made a difference to her decision. I think Mrs W would still have bought the policy. I say this for the reasons I've already given above.

So, I've decided that in this case Mrs W hasn't lost out as a result of anything BoS might've done wrong in relation to the sale of PPI.

my final decision

For the reasons set out above, I'm not upholding Mrs W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 18 February 2016.

Kevin Williamson
ombudsman