

complaint

Mr and Mrs M complain that Bank of Scotland plc trading as Halifax ("Halifax") mis-sold them a monthly premium payment protection insurance policy in 1992 alongside a mortgage.

background

Although the mortgage was in joint names, the policy covered Mr M only for accident, sickness and unemployment for a period of up to 24 months per claim for accident and sickness and 12 months per claim for unemployment.

Our adjudicator didn't uphold this complaint. Mr and Mrs M disagreed with this view and asked that the matter be referred to an ombudsman 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 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 and Mrs M's complaint.

I don't uphold this complaint. I will explain why.

From the paperwork I have seen I think Halifax recommended the PPI to Mr and Mrs M. So Halifax had to make sure that the PPI was suitable for Mr and Mrs M's circumstances. It also had to make sure that it gave them enough clear information so they could decide for themselves whether or not to buy the PPI.

Mr and Mrs M say they were under the impression that they needed to take out the cover to get the mortgage approved. They say that the application form doesn't clearly state that the cover is optional.

Whilst I appreciate that Mr and Mrs M have given me their best recollections of the sale, this sale happened many years ago and memories can fade over time. I have seen a copy of the PPI application form from the time of the sale. I can see that Mr and Mrs M chose to increase the benefit required over the monthly mortgage payments for Mr M only (not Mrs M) and Mr M has signed and dated the form. There is nothing set out on the form to suggest that the PPI was necessary in order to secure the mortgage. So I can't say that the policy wasn't presented as optional. From the paperwork I have seen I think it is more likely on balance that Mr and Mrs M chose the PPI for the protection and the peace of mind it gave them.

Mr and Mrs M say that Halifax didn't adequately assess their demands and needs and the policy wasn't suitable. Having looked at the paperwork and Mr and Mrs M's circumstances at the time of the sale I think the PPI was suitable. I say this because.

- I think Mr M was eligible for the PPI given his circumstances and the PPI terms and conditions.
- Mr M says he had a lot of contract work and he changed jobs many times, so he would never have been able to claim. But I can see from the paperwork that Mr M had been employed for some time at the time of the sale and on his PPI application

form he has indicated that he wasn't aware of any impending unemployment or redundancy. So I don't think Mr M would have been caught by any significant exclusions and limitations which would have limited the policy's main benefits, such as those affecting self-employed people or people with pre-existing medical conditions and so he could have benefitted from the full extent of the cover.

- Mr M says that he didn't have any savings and hasn't indicated that he would have received sick pay from his employer. So I think this policy would have provided a useful benefit for Mr and Mrs M to cover their important financial commitment.
- I haven't seen anything which makes me think the costs of the policy were unaffordable.

In summary, it seems likely to me on balance that Mr and Mrs M understood they were choosing to take out the PPI for the peace of mind and protection it gave them if Mr M was off work through sickness or accident or became unemployed. Mr and Mrs M say that Halifax didn't give them enough clear, fair and not misleading information. If they had received all the information they wouldn't have bought the policy. As the sale happened some time ago I can't be certain what was presented to them at the time of the sale. But for the same reasons as I think the policy was suitable I think it's unlikely they would have made a different decision about whether to take out the PPI even if better or clearer information had been given to them.

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 M to accept or reject my decision before 5 February 2016.

Nicola Woolf
ombudsman