

## **complaint**

Mr and Mrs B have complained that Bradford & Bingley Plc mis-sold them a mortgage payment protection insurance (MPPI) policy.

## **background**

Mr and Mrs B took out the policy at the same time as arranging their mortgage in 1995. Although it was a joint mortgage the PPI was set up just to cover Mr B.

Our adjudicator didn't think that Bradford & Bingley had mis-sold the MPPI. Mr and Mrs B disagree with the adjudicator's opinion and so the complaint has been passed to me for a 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 this case.

I've decided not to uphold Mr and Mrs B's complaint and I'll explain why.

Mr and Mrs B say they were told they had to take out the PPI and that it would help with the 'agreement process' for getting the mortgage approved.

The sale happened during a meeting in a branch of Bradford & Bingley in 1995, so it's not possible for me to know what was said or how the PPI was presented. So I have to make my decision on the evidence that is available – which includes what Mr and Mrs B have told us about the policy not being optional.

Looking at the paperwork, on the mortgage application form there is a separate section for PPI. Next to a question asking if Mr and Mrs B want to have PPI, 'YES' has been written. There was then the option to choose different levels of cover and accident, sickness and unemployment has been chosen (as opposed to just accident and sickness). The policy was set up just to cover Mr B. This seems appropriate as Mrs B was a housewife at the time and therefore would not have been eligible for cover.

From what we know of Bradford & Bingley's sales processes at the time, the policy would have been presented as optional. I haven't seen anything to persuade me that something different happened in this case.

I have no doubt that Mr and Mrs B have provided their genuine recollection of events. But the sale happened a long time ago and so it wouldn't be surprising if their memory has faded somewhat. I've thought very carefully about what Mr and Mrs B have said, but on balance I'm not persuaded that they weren't given a choice about having the PPI. It seems to me that they probably decided to buy it, knowing that they didn't have to, even if they no longer remember doing so.

This doesn't appear to have been an advised sale, meaning that Bradford & Bingley didn't have to ensure that the policy met Mr and Mrs B's needs. But it still needed to provide

enough information for the couple to make an informed choice about whether or not it was right for them.

I can see that the mortgage offer detailed the monthly cost of the policy. It also referred to some of the benefits and terms of the policy, such as the benefit amount and the deferment period. So I consider that Mr and Mrs B would have known what they'd be paying for the policy. I also consider that they would have understood the basics of what the policy was for – that it would pay an amount of £330 per month if Mr B was unable to work due to accident, sickness or unemployment.

Mr B has highlighted his reasonably generous sick pay. But the policy would have paid out in addition to this and potentially for longer than Mr B would have received full pay for. The couple say that they had some savings. But having the policy would have meant that they could have retained these or used them to cover other outgoings at what would have been a difficult time. So I consider that the policy could have provided them with a useful benefit. A mortgage is a significant financial commitment and so it wouldn't be surprising if Mr and Mrs B had an interest in protecting their repayments.

It's possible that Bradford & Bingley could have provided fuller information about the policy, particularly about the things that it didn't cover. But Mr B wasn't affected by any of those things. And as I think they had an interest in the policy and decided to buy it, I don't think that further information would have caused Mr and Mrs B to change their minds. It follows that I don't uphold the complaint.

### **my final decision**

My decision is that I do not uphold Mr and Mrs B's 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 31 January 2020.

Carole Clark  
**ombudsman**