

complaint

Ms B says that The Royal Bank of Scotland Plc (RBS), trading as NatWest, mis-sold her mortgage payment protection insurance (PPI).

background

Ms B took out a mortgage with RBS in 1997. At the same time she bought a regular monthly premium PPI to cover her repayments in the event that she was unable to work due to accident, sickness or unemployment.

Ms B says that she was told that she had to buy PPI to get her mortgage. Her representatives also raised a number of other concerns. RBS says that Ms B chose to buy the policy and that she was given enough information to make a decision that was right for her.

The adjudicator didn't uphold Ms B'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 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 Ms B's case.

I'm not upholding Ms B's complaint. I'll explain why.

Ms B says she was told she had to take out the PPI, and it wasn't explained to her that the insurance was optional. I can't be sure what was discussed between Ms B and RBS. I'm sure that RBS advertised the benefits of PPI. But that's not the same as making PPI a specific condition of approving Ms B's mortgage.

RBS has given us a number of documents from the time of the sale. This includes a quotation for PPI, the mortgage offer form and the direct debit mandate for the policy. Having read these documents I can't find anything that leads me to conclude that RBS made PPI a condition of the mortgage or insisted that Ms B bought the policy. I think it's more likely that Ms B decided at the time that buying PPI would provide her with potentially useful benefits.

From the documents I've read and what we know about similar RBS sales at this time I don't think RBS recommended the policy to Ms B. But it still had to ensure that she received information that was clear, fair and not misleading so that she could decide if the policy was right for her.

I don't have a complete record of what was discussed about the policy's main restrictions, benefits and costs. So I can't say for sure that RBS gave Ms B all the right information at the right time. But I think that:

- Ms B was eligible for the PPI policy.
- Ms B wasn't affected by any of the main exclusions and restrictions in the policy such as for existing medical conditions or unusual employment arrangements.

- RBS didn't need to consider what benefits Ms B got from her employer, if she had savings or other insurance policies. These were matters for Ms B to consider when making her decision about whether to buy PPI or not. But I've thought about what Ms B told us about these things:
 - Ms B said that she would've had some benefits from her employer. For example she would've received sick pay, although she didn't give us much detail. But the PPI would've paid out in addition to this and for up to 12 months per claim. PPI would also have covered Ms B for unemployment. So I think PPI would've given her peace of mind about being able to make repayments on her mortgage, which was a significant financial commitment.
 - From the information Ms B gave us it doesn't look as though she had savings or other ways to meet the repayments on her mortgage if she'd been unable to work for a long time. So I think PPI offered her potentially useful benefits.
- Ms B was made aware of the cost of PPI before she agreed to buy it. The policy was competitively priced and seems to have been affordable.

So on balance I think Ms B agreed to take out the cover, knowing she didn't have to. And for the reasons given above I don't think Ms B would have made a different decision about buying PPI if she'd been better informed.

So I don't think Ms B has lost out as a result of anything RBS might've done wrong and so there's nothing that it needs to do to put things right.

my final decision

For the reasons set out above, I'm not upholding Ms B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 15 February 2016.

Kevin Williamson
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