

complaint

Mr A says that The Royal Bank of Scotland Plc (RBS) mi-sold him Payment Protection Insurance.

background

This complaint is about a regular monthly premium PPI policy taken out in 2000 in connection with an application for a credit card. The policy was taken out as part of, and at the same time as, a written application for the credit card.

The adjudicator who first considered this case decided not to uphold Mr A's complaint. This was principally because he concluded that the policy was optional and suitable to Mr A's needs at the time. Mr A did not accept this finding and the matter was considered for another view by a second adjudicator. The second adjudicator concluded, on balance, that RBS did not give Mr A sufficient opportunity to actively confirm that he wanted to take out the policy. RBS made representations and supplied a copy of the application form completed by Mr A when applying for the credit card.

On this basis the adjudicator who reviewed all the available evidence, along with the copy of the original application, concluded that Mr A was given sufficient information about the policy in the application form and made an active choice to select and accept the PPI policy.

Mr A disputed that the policy costs, term and conditions were clear and were suitable for his needs. Mr A also contested the application form question which included the phrase "*strongly recommended you take the cover*" was open to mis-interpretation as it does not state the policy is optional. As a consequence the matter has been referred to me for a decision.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. I think the relevant issues to take into account are the same as those set out in the note on our website about our approach to PPI complaints.

At its heart, this complaint hinges on whether this policy was optional and Mr A exercised a clear choice in agreeing to the policy or was coerced into taking the policy against his wishes. In deciding this matter, on the balance of probabilities, based on all the facts and evidence before me, I conclude that Mr A entered into this policy on the understanding that he opted to take the PPI alongside making an application for a credit card with RBS. My reasons for concluding this are based on the following:

- The application was made using a paper-based application form completed by Mr A in person. The application form makes clear that the box for selecting the PPI policy has been actively ticked by Mr A as have two other options on the form relating to card registration and one relating an existing balance for another credit card. This suggests careful consideration when completing the form;
- Whilst the application form does include the phrase "*strongly recommend you take the cover*", it is nevertheless clear that this is still optional and the fact that it is referred to as "insurance" is an indication that this is separate from the main application for the credit card (and likely to incur a separate charge).

Turning to the costs, benefits and overall suitability of the policy to Mr A, whilst RBS could have made the information clearer, I am satisfied that this would not have influenced Mr A's decision to take the policy as the benefits could have been useful to Mr A given his wider circumstances at the time.

my final decision

For the reasons set out above I do not uphold Mr A's complaint.

Paul Whiteing
ombudsman