

complaint

This complaint is about a loan payment protection insurance ('PPI') policy taken out in 2007. Mrs S says Capital Credit Union Limited mis-sold her the PPI.

my findings

I've considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Due to the time that's passed since this sale, there's some uncertainty over how the policy was sold. As Mrs S thinks that the policy was sold in a meeting, I've also considered a meeting to be how the policy was sold. I've not considered that a recommendation was made to take PPI based on the example paperwork from the sale.

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 S's case.

I've decided the policy wasn't mis-sold because:

- I say this because although I haven't seen a copy of Mrs S's credit card application form, Capital Credit Union Limited have shown us some example paperwork that they say is representative of what Mrs S would have seen at the time of sale.

The example demands and needs document shows that there were three options for PPI. There was an option for accident, sickness and unemployment cover, an option for accident and sickness only and an option to decline PPI if it wasn't needed. A separate signature was also required on the form.

I've considered what Mrs S has said about being led to believe that PPI was compulsory. Although the paperwork that was likely to have been used doesn't suggest that PPI was compulsory, I've also considered that Capital Credit Union Limited have said that Mrs S had a number of loans with them before this one and she hadn't previously taken PPI. So I think that Mrs S would reasonably have known that PPI was optional and that she didn't have to take it.

I've also noted what Mrs S has said about feeling pressured to take PPI. But pressure can be subjective and what feels like pressure to one person may not to another. I've not seen evidence to support what Mrs S has said.

On balance, I think that it's *more likely* than not that Capital Credit Union Limited made it clear that Mrs S didn't have to take out the PPI and she chose to take it out – although I can understand why she may not remember this.

- Capital Credit Union Limited didn't recommend the PPI to Mrs S so it didn't have to check if it was right for her. But it did have to make sure Mrs S got the information she needed to decide if it was right for her.
- Due to the time that's passed since this sale, the actual policy document isn't available. So I've had to make some reasonable assumptions about this policy based

on my wider knowledge of PPI policies sold over a longer period of time alongside Mrs S's circumstances.

It's possible the information Capital Credit Union Limited gave Mrs S about the PPI wasn't as clear as it should've been. But she chose to take out the PPI - so it looks like she wanted this type of cover and it could have paid out for longer than Mrs S's full sick pay entitlement.

Based on what I've seen of her circumstances at the time it doesn't look like she was affected by any of the exclusions to or limits on the PPI cover - so it would have been useful for her if something went wrong. It also looks like the PPI was affordable.

So I don't think better information about the PPI would have put her off taking out the cover.

I've thought about everything Mrs S has said - including what she's said about not needing PPI as she could have relied on her husband to help her make her repayments. But although her husband may have wanted to help, he may not have been in a position to help when needed as circumstances can change. So these points don't change my decision.

I've also thought about the commission Mrs S paid on her policy – and whether Capital Credit Union Limited treated her unfairly.

Capital Credit Union Limited has told us that the commission for Mrs S's policy was less than half of what she paid for each premium. We've looked at how Capital Credit Union Limited has been working this out and based on what we've seen it looks like it's right – Mrs S's commission was less than half the cost of the policy.

As that's the case, I don't think it needed to tell her about the commission – so I don't think Capital Credit Union Limited treated her unfairly. This means it doesn't need to pay Mrs S back any of the commission she paid for the PPI.

my final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mrs S to accept or reject my decision before 9 February 2019.

Daniel O'Shea
ombudsman