

## **complaint**

This complaint concerns a regular premium payment protection insurance ("PPI") policy taken out in 2009 by Mr F in connection with a loan with Glasgow Credit Union Ltd ("GCUL"). Mr F believes that GCUL mis-sold the PPI to him.

## **background**

An adjudicator with this service has investigated Mr F's complaint and recommended that the complaint should not be upheld. Those representing Mr F do not agree and have asked that an ombudsman consider the case.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. In doing so, I have considered the issues in accordance with our general approach to assessing complaints about the mis-sale of PPI, which is well-documented. This includes taking into account the law and good industry practice at the time the policy was sold and any regulatory rules and guidance relevant to the complaint. In essence, the questions I need to consider are:

- whether, in giving any advice or recommendation, GCUL took adequate steps to ensure that the product it recommended was suitable for Mr F's needs;
- whether GCUL gave Mr F information that was clear, fair and not misleading in order to put him in a position where he could make an informed choice about the insurance he was buying.

If there were shortcomings in the way in which GCUL sold the policy, I then need to consider whether Mr F is worse off as a result; that is, would he have done something different – for example, not taken out the policy – if there had been no shortcomings.

Where I cannot say for certain what has happened, I will make my findings on the balance of probabilities, ie what I consider *more likely than not* to have been the case, based on evidence submitted on behalf of both Mr F and GCUL.

## ***outcome***

I have considered all Mr F's grounds of complaint in reaching my decision. On the basis of the evidence before me, I am satisfied that it is reasonable to conclude that the complaint should not be upheld, for largely the same reasons as the adjudicator identified.

## ***basis of sale***

Mr F has said that the sale was made at a meeting. But GCUL has said that the policy was taken over the telephone.

Because I have listened to a recording of the telephone call in which Mr F decided to take PPI and because I have seen the documents which he completed afterwards, I think that it is more likely than not that the policy was taken over the telephone and by post.

Mr F cannot recall if the policy was recommended to him. GCUL has said that the policy was recommended to him and has supplied a copy of the Demands and Needs statement. And on balance I agree that the policy was recommended to Mr F.

Consequently, GCUL had to ensure that the policy was suitable for Mr F in his own personal circumstances, as well as providing information to him about the policy that was clear, fair and not misleading.

*was the optional nature of the policy made clear?*

In his complaint to this service, Mr F has said that he was not made aware of the optional nature of the policy.

I have considered this point of complaint very carefully. But I am not persuaded that he did not know he had a choice about taking the policy.

I say this for the following reasons:

- I have listened to the call recording of the conversation in which Mr F agreed to take PPI. And I have heard:
  - the call handler inform Mr F that the policy was optional, and
  - Mr F deliberate on whether or not to take the insurance, during which deliberations he asked the call handler what she thought and she said *"it's up to yourself whether you want to take it"*.

So I am not persuaded that he did not exercise a choice in taking the policy.

- I have also seen on the loan application form that a box requesting *"optional payment protection insurance"* was ticked and that right next to this was an equally prominent option to decline it. This section was positioned just above where Mr F signed the form in the presence of a witness. And from this it seems to me that Mr F would reasonably have been aware of the policy's optional nature.

*was the policy suitable?*

Because it was an advised sale, GCUL had to ensure that the PPI it recommended was suitable for Mr F's needs. And I have considered whether it took adequate steps to ensure it met this obligation. But I am not persuaded that this particular policy was an unsuitable recommendation for Mr F because:

- I have examined the policy literature and I see that he met the eligibility criteria.
- As Mr F was in good health and permanent employment at the point of sale, his circumstances did not fall within any of the significant limitations or exclusions to the policy such as those affecting people who are self-employed or who have pre-existing medical conditions.

- Mr F did not inform the call handler of any other cover by which he could meet his financial commitments if he was absent from work for any reason. And the call handler made her recommendation on this basis. Although he has since told this service that he had employee benefits if he was absent from work because of illness of six months full pay followed by six months half pay, the policy sold to him provided cover in addition to and for significantly longer than his employee entitlements and to cover a time when money was likely to be tight.
- This policy itself was not so expensive that it was unaffordable for him. And he confirmed during the sales call that the total monthly repayment, including PPI, was within his budget.
- Having reviewed the cost of the policy in relation to the actual monthly benefit payable, I see that this was in line with alternatives available elsewhere, and would not, in my view, have made the policy an unsuitable recommendation.

#### *Mr F's information needs*

GCUL also had a duty to provide adequate information to Mr F about the policy. But even if it failed to do so, to uphold this complaint, I must also be satisfied that this caused him to purchase the policy that he would otherwise have declined.

For largely the same reasons that I have concluded the policy was not unsuitable I am not persuaded that he would not have taken the policy if his information needs were better met. He was eligible for the policy and his circumstances were such that he did not fall into any of the significant exclusions and limitations of it. So I am unable to conclude that clearer information on these points is likely to have caused him to decline the policy.

I have heard the monthly cost of the policy disclosed to him during the telephone call. And it was also given on the loan application form together with the total cost of the policy if the PPI remained in place for the entirety of the loan. Consequently, I am not persuaded that any more information about the cost of the policy would have changed Mr F's mind about accepting the adviser's recommendation to take it out.

As a result, I am not able to conclude that GCUL mis-sold the PPI policy to Mr F. Although I appreciate that he will be disappointed by my decision, I hope he can understand the reasons I have given above.

#### **my final decision**

For the reasons set out above, I do not uphold Mr F's complaint. And I make no award against Glasgow Credit Union Ltd.

Christine Vine  
**ombudsman**