

complaint

This complaint is about a regular premium payment protection insurance (PPI) policy taken out alongside a secured loan in 2006. Mr and Mrs B say NRAM Plc mis-sold them 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.

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 Mr and Mrs B's case.

I've decided the PPI wasn't mis-sold and I'll explain why.

- Mr and Mrs B say that due to the way the PPI was set out on the application form, they thought the PPI was a part of the mortgage. NRAM have shown that Mr and Mrs B actually applied for the loan and PPI over the telephone. It has provided me with a telephone script that it used at the time, this includes the information Mr and Mrs B gave during the call. This shows PPI was discussed and looking at this, PPI wasn't set out as a compulsory product.

NRAM also provided a copy of the insurance schedule for PPI. This said '*Payment Protection is optional cover...*'. and it also set out the monthly cost of the PPI. After taking everything available into account, I think that on balance, NRAM made it clear that Mr and Mrs B didn't have to take out the PPI and they chose to take it out.

- NRAM didn't recommend the PPI to Mr and Mrs B so it didn't have to check if it was right for them. But it did have to make sure Mr and Mrs B got the information they needed to decide if it was right for them.
- It's possible the information NRAM gave Mr and Mrs B about the PPI wasn't as clear as it should've been. But they chose to take out the PPI - so it looks like they wanted this type of cover. Mr B says he was self-employed at the time of the sale and Mrs B says she was only working part time – so they don't think the policy was suitable for them. Looking at the information Mr and Mrs B gave during the phone call, they were asked about their employment details. They both confirmed they worked full time and that they weren't self-employed. I appreciate they're now saying something different. But I also note that some time has passed since the sale and memories can fade; I think it's more likely that what they told NRAM at the time of the sale is correct.

Mr B has continued to maintain he was self-employed at the time of the sale and has provided some evidence of this. Though I note the Inland Revenue registration card he provided doesn't have a date on it, so it isn't clear when he received this. Having looked at the most relevant policy document, I can't see it would've been any more difficult for him to make a claim even if he was self-employed. So I think it's more likely the policy would have been useful for both Mr and Mrs B if something went wrong. It also looks like the PPI was affordable. So I don't think better information about the policy would have put them off taking out the cover.

I've also thought about the commission Mr and Mrs B paid on their PPI – and whether NRAM treated them unfairly.

NRAM has told us that the commission for Mr and Mrs B's PPI was less than half of what they paid for each premium. We've looked at how NRAM has been working this out and based on what we've seen it looks like it's right – Mr and Mrs B's commission was less than half the cost of the PPI. As that's the case, I don't think it needed to tell them about the commission – so I don't think NRAM treated them unfairly. This means it doesn't need to pay Mr and Mrs B back any of the commission they 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 Mr and Mrs B to accept or reject my decision before 11 May 2019.

Rebecca Norris
ombudsman