

## **complaint**

Mrs L says Financial Insurance Company Limited ("FICL") mis-sold her a payment protection insurance ("PPI") policy.

## **background**

In December 2002 Mrs L opened a store card account. In March 2004 PPI was added to her account following a telephone call.

Our adjudicator felt that we'd seen enough information to uphold the complaint. She relied on the fact that the policy didn't cover accident and sickness claims if they resulted from health problems the consumer already had when she bought it. And Mrs L had mentioned having health conditions at the time - so if she needed to claim for these, she wouldn't have been able to.

Our adjudicator felt that it was important that Mrs L had understood this so she could make a fair choice about taking out the PPI. But she didn't think that FICL did enough to make this policy restriction clear to her - and if it had, then our adjudicator didn't think Mrs L would've taken the policy out.

FICL disagreed with the adjudicator's opinion.

It mainly said that she hadn't originally mentioned these conditions and she had also not provided any information about how her medical conditions affected her ability to work. It said the conditions she'd mentioned were often manageable with prescribed medication.

So we asked Mrs L to provide us with a bit more information about her health and the conditions she'd mentioned and we asked her how they had affected her in March 2004. When we hadn't heard anything from Mrs L or her representative by the date we'd asked her to get back to us, the complaint came to me to decide. I issued a provisional decision.

## **what I said in my provisional decision**

Here are some of the main things I said.

*"FICL has given us a copy of Mrs L's completed store card application. The PPI part of the form is crossed through, next to where it says "Yes, I would like to protect my Account with Account Cover...Please debit my Account with the relevant monthly premium until further notice".*

*So, although I don't know what might've been said about the PPI, I think it would've been clear to Mrs L from the paperwork that it was up to her to choose if she wanted to have PPI added on. And, when she declined it, her store card was set up without it.*

*FICL hasn't been able to provide a call recording or a copy of the call script used when it sold the PPI to Mrs L. So I don't know what it said to Mrs L when the policy was sold. But based on what this service knows about the sales process, and given that the policy was added sometime after she'd made her store card application, I think Mrs L would've been aware that the policy was optional.*

*On balance, I think it's likely that Mrs L decided she wanted the benefits that PPI offered and she chose to buy the policy to protect her card monthly repayments.*

*I don't think FICL advised Mrs L to take out the PPI. This means FICL didn't have to make sure the policy was suitable for her. But it still had to provide Mrs L with clear information about the policy so she could decide if she wanted to take it out.*

*It's possible some information FICL gave Mrs L about the PPI wasn't as clear as it should've been. So I need to consider if Mrs L would've acted differently, and not bought the policy, if clearer information had been provided.*

*I've taken into account what Mrs L told us about her circumstances. She was eligible for the cover. And the policy could've paid out a benefit if she couldn't work as a result of accident, sickness or unemployment. It could've covered her monthly repayments on the card each month until the outstanding balance was cleared if she wasn't able to go back to work.*

*Mrs L told us that she had no other way of making the monthly repayments if she wasn't able to work. So I think Mrs L could've benefitted from having PPI.*

*Mrs L wouldn't have been covered for absence from work caused by a medical condition she knew about in the 12 months before the PPI start date.*

*She's told us that she was diagnosed with one medical condition some years earlier and this was managed with prescribed medication. She also had another medical condition – I don't know when that was diagnosed or she first knew about it. She did say that she also had medication she could use as and when needed to deal with those symptoms.*

*We asked Mrs L to tell us a bit more about the conditions that she mentioned – and in particular, if or when they had ever caused her to take time off work.*

*She hasn't responded to our enquiries so I haven't seen any information about if or how her medical conditions affected her on a day to day basis prior to taking out the PPI. I don't know if or when, or for how long, she'd ever taken time off work as a result of the medical conditions she's mentioned.*

*Based on all the information I've seen and been told, and looking at the probable policy wording, I don't feel that I've seen enough to be able to say that it's likely Mrs L would've had reason to be concerned by the exclusion that meant she wasn't covered for existing health issues.*

*As far as I can see, it doesn't look like Mrs L was affected by any of the other terms that might've limited the policy's benefit to her. So, even if these weren't mentioned clearly, or at all, I don't think that knowing more about these policy details would've made any difference to Mrs L's decision to take it out.*

*I don't know if FICL explained the cost of the policy clearly enough for Mrs L to understand what the real cost of the policy was for her. But, taking everything into account, I think if Mrs L had properly understood the cost and benefit provided she still would've thought the policy potentially useful. I've seen nothing to suggest that paying for the policy was a problem for Mrs L – and she took it out when she didn't have to, so it seems she wanted the cover. Plus she could cancel it without further cost at any time.*

*Looked at overall, given the benefits PPI offered Mrs L, I think it unlikely she would've made a different decision if better information had been provided. On balance, I think she'd still have taken out the policy.*

*In particular, I don't think having better information about the policy's limitations and exclusions for an existing medical condition would've put Mrs L off taking it out. I've not seen enough so far to suggest that at the time she took out the PPI Mrs L had any reason to think she'd likely be off work sick as a result of an existing medical condition for long enough to want to make a claim under the policy. So I can't fairly say that she's lost out as a result of paying for the policy.*

*This means, as things stand, I'm not currently planning to tell FICL that it needs to do anything to put things right."*

### **what the parties said in response to my provisional decision**

Neither party has made any further comments.

### **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 this complaint.

Having done so, and as no further comments have been received in response to my provisional decision, I still think it's fair not to uphold this complaint for the reasons I explained in my provisional decision.

### **my final decision**

For these reasons, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 8 December 2019.

Susan Webb  
**ombudsman**