

complaint

Mr C says Financial Insurance Company Limited (“FICL”) mis-sold him a payment protection insurance (“PPI”) policy.

background

This complaint is about a PPI policy attached to a store card Mr C took out in 1996. It’s been agreed in this case that FICL, as the insurer, should take responsibility for the complaint. To keep things simple, I’ll refer to FICL as the seller in my decision.

Our adjudicator upheld the complaint. FICL disagreed with the adjudicator’s opinion, so the complaint was passed to me. I issued my provisional decision in October 2019, explaining why I wasn’t thinking of upholding the complaint (I’ve attached a copy of that decision to the end of this document) and I invited everyone to provide me with any further evidence or comments before I issued my final decision.

Both parties responded to say they had received my provisional decision, but no one had anything further to add.

my findings

I’ve now reconsidered 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 Mr C’s case

As there wasn’t anything further to consider, my decision remains the same. I don’t uphold this complaint. I don’t think Mr C has lost out by anything FICL might have done wrong.

my final decision

For the reasons explained above and in my provisional decision, I don’t uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 4 January 2020.

Claire Marchant-Williams
ombudsman

my provisional findings

FICL says the policy was sold during a telephone call around a year after Mr C took out the store card. Looking at a copy of Mr C's application form for the store card, I can see that he didn't opt for the PPI at that time, so I think the policy was sold during a telephone call at a later date.

During that telephone call, FICL should have taken reasonable steps to make it clear to Mr C that the policy was optional. Mr C says he was not aware he had taken PPI.

Unfortunately, FICL hasn't been able to provide any further information - such as a recording of that telephone call or a copy of the call script used at the time. So it's not possible for me to know exactly what was said at the time this policy was taken out. But based on what I do know of the sales process at the time and given the fact the PPI was added some time after he applied for the store card, I think Mr C would have understood the policy was optional when he chose to take it.

So, on balance I think FICL made it clear that Mr C didn't have to take out the PPI and he chose to take it out – although I understand why he can't remember this.

FICL didn't recommend the PPI to Mr C so it didn't have to check if it was suitable for him. But it did have to make sure Mr C got the information he needed to decide if it was right for him.

It's possible the information FICL gave Mr C about the PPI wasn't as clear as it should've been. Mr C says he had a medical condition at the time of sale and our adjudicator thought this condition was something that would've made it difficult for Mr C to make a claim on the policy, so they upheld his complaint.

I've thought carefully about the information Mr C has told us about his condition. Having done this, I don't have enough evidence that Mr C would have thought this would be the main reasons he might have needed to claim on the policy in the future. And the policy would've covered him for other things.

And based on what I've seen of his circumstances at the time it doesn't look like he was affected by any of the other exclusions or limits on the PPI cover.

Mr C says he had sick pay benefits from his employer. But the PPI would've paid out alongside his employee benefits. It also would've covered him if he became unemployed. And it doesn't look like Mr C had any other means – such as savings – to make his repayments. So I think the PP would have been useful for him if something went wrong.

Overall, I don't think Mr C has lost out by anything FICL might have done wrong.