

complaint

Miss W complains that Robins & Day Limited (Robins) mis-sold her a regular premium payment protection insurance (PPI) policy when she took out a hire purchase agreement.

background

In 2005 at a branch of Robins during a meeting with a Sales Adviser, Miss W entered into a hire purchase agreement. At the same time she was sold a regular premium PPI policy to protect her payments.

A successful claim under the policy would've covered Miss W's monthly payments for up to 12 months per claim if she lost her job. If she was unable to work due to accident or sickness her payments would've been covered until she returned to work, or the loan balance was paid off. In the event of her death the remaining balance would've been settled.

Our adjudicators didn't think the complaint should be upheld. They thought Robins presented the policy as optional and that the policy was a suitable recommendation that Miss W chose to accept. Miss W disagreed. She says Robins added the policy automatically, that she didn't understand the policy terms and conditions or costs involved, and that she didn't need it.

my findings

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

I've decided not to uphold Miss W's complaint. And I've set out my reasons below.

Miss W says that *'there was absolutely no mention of Payment Protection Insurance during the sale'*. Robins disagreed. They say that within their sales process they operated a statement of demands and needs via an on-line system. This system generated a series of questions and based on Miss W's answers, they recommended products that were suitable to her needs. They say they would've discussed and explained the insurance products, highlighting policy exclusions and restrictions so that she would correctly understand the products.

I don't have any written record of the meeting or sales script to refer to so I've considered what Miss W has said alongside paperwork from the time of the sale to help me decide what happened. This includes Miss W's summary of needs, hire purchase agreement and policy summary document.

The summary of needs document has a series of sections that ask what insurance Miss W had in place. Section 6 covers credit protection, defined as cover 'if you fall ill, have an accident or are made redundant'. Section 7 covers 'life cover'. In both sections Miss W is assessed as having no cover in place. A recommendation is then made further down the document for 'Life Accident Sickness Unemployment & Carer cover' which Miss W signed next to.

Because this summary of needs document was completed and then signed by Miss W, I think that PPI was discussed.

Miss W says that the policy was added without her knowledge and that that *'the tick for PPI is a computerised tick on the paperwork which proves she did not manually provide consent to the policy'*.

The hire purchase agreement has a separate boxed section dealing with PPI headed 'Credit Protection Insurance.' This section gave Miss W the option to select what PPI cover, if any, she wanted. There is a computerised tick in the 'Life, Disability and Unemployment regular premium cover'. This is the only option listed with a cost next to it.

I think that this level of cover was pre-selected based on the results of Miss W's summary of demands and needs, and that the hire purchase agreement was printed afterwards. Miss W signed separately in favour of the PPI directly below the computerised tick. Before she signed for the PPI, she signed separately for the hire purchase earlier on in the document.

I think Miss W understood the PPI and hire purchase were separate things and that by signing for the PPI she was agreeing to take out the policy. And because there were different PPI options available for her to tick, including no cover, I think she understood that she had a choice about taking out PPI.

This was an advised sale. What this means is that Robins not only had to provide information about PPI in a clear, fair and not misleading way so that Miss W could make an informed choice about buying PPI. They also had to make sure that if they were to recommend PPI that the policy was suitable for her needs and circumstances.

Miss W says she didn't need the policy. Though I can't be sure what was discussed or if Robins properly advised Miss W. I know from the documents provided that Robins assessed her demands and needs and that a recommendation was made for 'Life Accident Sickness Unemployment & Carer cover'.

I think the recommendation to take out the PPI was suitable for the following reasons:

- Miss W was eligible for the policy and it doesn't look like she would've been caught by any of the exclusions in the terms and conditions of the policy which could've made it difficult to make a successful claim.
- At the time of the sale Miss W says she wasn't entitled to any sick pay, had no savings and would've relied on her family for assistance if she wasn't able to work. There is no guarantee her family would be able to help in the future. So I think she may've found it difficult to meet her repayments if she couldn't work or lost her job. The policy would've been a useful benefit for her and filled the gap in her provision.
- There was nothing to suggest that the policy wasn't affordable to Miss W.

I think Miss W chose to take out PPI because she had no other guaranteed means of making her repayments. The policy provided a useful benefit and was a suitable recommendation for someone in her circumstances.

Robins needed to give Miss W enough information about the policy so that she could decide whether the policy was right for her. I can see the costs were laid out on the hire purchase agreement giving a separate figure for her repayments with and without PPI.

I can see that Miss W signed a customer declaration which confirms she received the insurance documents, policy summary and statement of price. This document also confirms Miss W has been told about the importance of reading the policy summary and 'in particular the section relating to any unusual terms or exclusions'.

I can't be sure if Miss W received, read or fully understood the information Robins gave her. I don't know how clearly the sales adviser explained the policy to her during the meeting. But based on what Miss W has told us about her circumstances at the time I don't think it would've made a difference in how the information was given to Miss W. I think she would've still taken out the PPI policy as it suited her needs, was of value to her and she had no other cover in place.

This means Miss W isn't worse off as a result of any wrong doing by Robins.

my final decision

For the reasons I've explained, I've decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 9 November 2015.

Caroline Davies
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