

complaint

Mr and Mrs S say Bank of Scotland plc (trading as “Halifax”) mis-sold them a payment protection insurance (PPI) policy.

background

This complaint is about a regular premium PPI policy taken out with a loan in June 2000. The loan was paid off in June 2002. The loan was for £6,500. The monthly premium was £5.55. The monthly benefit was £59.02. The policy was in the name of Mr S.

Our adjudicator didn't uphold the complaint. Mr and Mrs S disagreed with the adjudicator's opinion so the complaint has been passed to me.

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 Mr and Mrs S's case.

Mr and Mrs S have told us that the PPI policy was sold in a meeting and that the sale was advised. Halifax has agreed that it advised Mr S to buy the policy. I hold Halifax to the higher standard of ensuring that the sale was suitable for Mr S, as well as making sure it provided him with enough information to decide if he wanted to take the policy out.

I've decided not to uphold Mr and Mrs S's complaint because:

- I have looked at the loan agreement and can see that Mr and Mrs S have signed it. Next to their signatures, the question was asked “*Do you want Personal Loan Repayments Insurance?*” The “yes” box had been populated with an “X”. This suggests that a discussion was had with the adviser and the form was printed out with the yes box selected. Because the signatures of Mr and Mrs S were directly next to this question and the selected box, I think it likely that they saw that they were choosing to buy the PPI and that they agreed to it.
- Halifax has told us that it recommended the PPI to Mr S, but it doesn't look as if it was unsuitable for him based on what I've currently seen of his circumstances at the time. Although Mr S may have had some benefits similar to the kind the PPI provided, the policy would've paid out in addition to these. Mr S has told us that he had no savings at the time so I think that Mr and Mrs S would have thought that insurance was useful to them.
- The policy wouldn't have covered Mr S for medical conditions that he already had when he took it out. If Mr S was suffering from a medical condition when he took out the policy, this *might* make a difference to whether the policy was right for him. But Mr S has told us that he wasn't suffering from any medical conditions at the time. Based on the information I've seen about Mr S's circumstances, I don't think I can say the PPI was unsuitable for him.
- I don't know how Halifax explained the cost of the policy to Mr and Mrs S. So it's possible that they didn't know how much it was going to cost before they she agreed to buy it. But

the cost of the PPI was clearly set out on the loan agreement next to where Mr and Mrs S signed to accept the loan and PPI. So I think that they will have seen the cost of the PPI and decided to buy the policy when they took the loan.

final decision

For the reasons I have given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs S to accept or reject my decision before 11 April 2016.

Rebecca Haigh
ombudsman