

complaint

Mr and Mrs R, who are represented by a third party, say Nationwide Building Society ("Nationwide") mis-sold them a payment protection insurance ("PPI") policy in February 2001 to go with a mortgage they'd taken out in June 1999. They took the policy out at the same time as they were arranging some additional secured borrowing.

They say they weren't given a choice about taking out the policy, it wasn't properly explained to them and they didn't need it.

background

The PPI provided cover for accident, sickness and unemployment. Only Mr R was covered by the policy.

Our adjudicator upheld the complaint because Mr R had two jobs, taking the view that if Mr R had lost one of those jobs he wouldn't be able to make a successful PPI claim.

In my provisional decision dated 12 May 2021 I explained why I wasn't intending to uphold Mr and Mrs R's complaint for that reason and that I hadn't seen any other reason to think that the PPI had been mis-sold. I set out an extract below:

"I've kept in mind that the policy was sold on a non-advised basis, so it was up to Mr and Mrs R to decide if the PPI was right for them. However, Nationwide still needed to provide them with information about the PPI that was clear, fair and not misleading so they could make an informed choice. Having looked at the policy document I think it did enough to make Mr and Mrs R aware of the main terms and conditions.

The PPI cover that Mr R was applying for was positioned with him as including unemployment cover. I think that without any specialist knowledge of the terms of this specific policy, Mr R would have understood that to have a successful claim using his unemployment cover, it's most likely that he would have had to be not working at all. I've seen that Mr R only told us recently about having two jobs when he bought the PPI – and it wasn't mentioned on the PPI or mortgage sale paperwork at the time.

As Mr and Mrs R hadn't relied on Mr R's second income when applying for the extra borrowing – although I see they mentioned it when arranging their mortgage in 1999 - it's not clear what weight this employment would have had in his mind at the time of taking on the PPI. And compared to his main income the income this employment produced was modest. In any event, I don't think Mr R would have been put off this policy even if better information about these terms had been provided.

Mr R told us that the second job could require him to work anywhere between 10 and 30 hours per week. But based on the details he's given us of his earnings from that job, it's likely that his hours were a lot less than that – and certainly less than 16 hours per week. That means that under the policy terms, the second job was unlikely to meet the definition of employment under the terms of this policy and so had Mr R lost his main job, he'd still be able to make a claim for unemployment.

It follows that, based on what I've seen I simply can't say that the policy terms would have caused Mr R to lose out if he'd made an unemployment claim. And I've kept in mind that he'd in any event still be able to make a successful accident or sickness claim if he was unable to work as it's likely he wouldn't be able to work in either job."

Mr and Mrs R's representative confirmed receiving my provisional decision but had nothing further to add. Nationwide also said it had nothing it wanted to add.

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 approach to complaints about the sale of PPI on our website and I've taken this into account in deciding this case.

Nationwide has said it has nothing further to add and Mr and Mrs R and their representative haven't come back to us with anything more. So, given that I've not received any further evidence or information, I won't be departing from the finding I made in my provisional decision. It follows that, whilst I realise this will come as a disappointment to Mr and Mrs R, I won't be upholding their complaint.

my final decision

I'm not upholding this complaint and so there's nothing more that Nationwide Building Society need to do.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs R to accept or reject my decision before 23 September 2021.

Michael Goldberg
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