Financial Ombudsman Service

complaint

Mrs H says Bank of Scotland plc (trading as Halifax) shouldn't have sold her a mortgage payment protection insurance (MPPI) policy.

background

Mrs H took out a mortgage with Halifax in 2002 and bought an MPPI policy at the same time.

Our adjudicator didn't think the complaint should be upheld but Mrs H disagreed, 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 this case.

I don't think this complaint should be upheld and I'll explain why.

Halifax hasn't been able to give us much of the paperwork that it says would have been given to, and completed by, Mrs H when she asked for the mortgage and MPPI. That doesn't really surprise me given the time that's passed, and I wouldn't expect the bank to keep records forever. Fortunately, we have some understanding of how Halifax was selling these types of policy, around the time Mrs H bought hers, from discussions we've had with the bank and example paperwork it's given us. So I've taken that into account as well as considering what Mrs H remembers about the sale.

Halifax and Mrs H agree the MPPI was taken out during a meeting in one of the bank's branches. Mrs H says she doesn't remember much else about the sale, but she didn't realise she'd bought the policy so she didn't get any advice. But Halifax says it recommended she take it out. That means the bank had to make sure the policy was suitable for Mrs H and that she'd been given enough information about it to make an informed choice about whether to take it out.

Overall, I think:

- Halifax probably made Mrs H aware she had a choice whether or not to take out MPPI and she chose to do so. I've seen nothing which shows she was told she had to buy the policy in order to get the mrotgage.
- It doesn't look like the policy was unsuitable for Mrs H based on what I've seen of her circumstances at the time.
- I don't know what Halifax told Mrs H about how much the policy would cost her each month. But it was reasonably priced compared to similar policies and provided useful cover. So I think she still would've bought the policy if the cost had been made clear.
- It's possible Halifax didn't point out the main things the policy didn't cover. But it's unlikely Mrs H would have been affected by any of these.

my final decision

My final decision is that I don’t uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mrs H to accept or reject my decision before 15 February 2016.

Ruth Hersey
ombudsman