

complaint

This complaint is about a Total Mortgage Protection Plan (TMPP) policy. This type of policy typically included an element of mortgage protection together with life and critical illness cover.

Mr and Mrs M say Bank of Scotland plc, trading as Halifax, mis-sold them this policy because they weren't aware they'd bought it when they took out their mortgage and hadn't been given any information about it.

background

In 2006, Mr and Mrs M bought a TMPP policy when taking out a new fixed rate mortgage. It provided Mr M with cover but Mrs M wasn't covered on the policy.

Our adjudicator in this case said the complaint shouldn't be upheld. But Mr and Mrs M disagreed and the complaint has been passed to me for an ombudsman's decision.

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.

Having done this, I've decided not to uphold this complaint.

Mr and Mrs M specifically told us in their complaint that they didn't give their consent to buying the TMPP and that they weren't aware the policy had been set up until some years later. So the first thing I looked at was whether they ever agreed to the policy.

I was sent documentation from the sale which, collectively, made me think it's more likely Mr and Mrs M did agree to the TMPP, that they engaged with Halifax in the sale process and they were aware the policy had been set up and had become 'live'.

I think this because Halifax provided a *demands and needs statement* which is a record of a recommendation it says it made to Mr and Mrs M about buying TMPP. This document lists some details of the cover and it suggests there had been a conversation between the parties about the policy.

I was also sent a copy of a *declaration* document from the sale. This too, contained information about the TMPP policy and there's a section on it which begins: "*the following declaration will apply to any application that you make for a Total Mortgage Protection Plan.*" I note Mr and Mrs M both signed this document on 11 January 2006 and whilst I think it could have been laid out more clearly, I think it would have added to Mr and Mrs M's awareness of the TMPP policy, which is something they said they didn't have.

Thirdly, I note the policy was set up covering only Mr M. I think it's more likely than not that this point would have required a discussion with the Halifax adviser and that Mr and Mrs M would have both agreed to this arrangement, given the mortgage was in their *joint* names.

Finally I was sent some copies of Mr and Mrs M's bank statements from that period. It's shown on these that the amount for the TMPP was drawn each month from their current account, separately from their mortgage payment. As well as therefore being aware the policy was being paid for, I think they would have had to authorise the £12.34 TMPP monthly premium to be taken from their account by direct debit, or similar.

I've no doubt Mr and Mrs M will have given us their best recollection of events, but I think all these things, taken together, are enough to strongly suggest they would have had an awareness of the TMPP and they agreed to the sale. And I think they'd have been aware at the time the policy had been set up.

Halifax recommended the policy so this means it needed to ensure it was suitable for Mr and Mrs M's particular situation. I can see Mr M was the higher earner of the two and the cover was aimed at protecting him. I think he was eligible and I don't think that he'd have been 'caught' by any of the major exclusions we tend to see in these types of policy. The cost of the TMPP seems comparable with similar policies I know were marketed at around that time and I've got nothing that indicates the monthly premium was unaffordable for them.

Mr M told us he had generous sickness protection available through his job and that Mrs M had an income that could be relied upon. Because of this - and other help they could have called upon - they implied they didn't need this type of cover.

I completely understand why they've told us this but these things don't necessarily mean they didn't have a use for the cover. Policies like this are there to remove the added pressure of meeting these types of payments in financially difficult times and in the event of a successful claim, the policy could have paid a monthly benefit in addition to anything Mr and Mrs M already had through other means.

Ultimately, I can't say *why* Mr and Mrs M decided to take the cover. But this was a mortgage secured against their home and given the consequences for them if they couldn't keep up the payments, I can see how they could have had a use for this type of protection. So in their situation, I don't think the recommendation was unreasonable and I don't think the policy was unsuitable for them.

Halifax also needed to provide information that was clear, fair and not misleading. I think they'd have known the cost of the cover because of what I've said about the money leaving their account. The cost - and who / what was covered - was also included in the notes of the meeting Mr and Mrs M had with Halifax about their demands and needs. It was also shown on the notes that the mortgage payment and the TMPP cost were separate charges, so I think they'd have been able to see they didn't need to buy the policy if they didn't want to.

I can't say for sure that Mr and Mrs M were given all the information they should have been given. But I don't think this would have made any difference in this case. I think the evidence shows Mr and Mrs M had a discussion with Halifax about the TMPP and they were aware it had been added at the time. Because of this, I can't safely say the policy was mis-sold.

my final decision

For the reasons set out above, I don't uphold Mr and Mrs M's complaint. And I don't direct Bank of Scotland plc to do anything to put matters right.

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

Michael Campbell
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