

complaint

Mrs W complains that Scotwest Credit Union Limited ("Scotwest") mis-sold her a regular premium payment protection insurance (PPI) policy in 2006. Mrs W took out the PPI when she arranged a loan from Scotwest.

background

The background to this complaint, and my initial conclusions, are set out in my provisional decision from November 2014. I provisionally decided not to uphold Mrs W's complaint because:

- The policy was sold to Mrs W during a telephone call when she arranged the loan with Scotwest. I don't know what was said during the call, but I think it's likely that she was made aware that the policy was optional and she chose to take it out. I say this because Mrs W was sent a loan agreement to sign following the call. The loan agreement indicates that PPI is being taken out with the loan. There is also a 'yes' and a 'no' box for Mrs W to confirm whether she wanted PPI and to confirm that she was returning the PPI application form. Mrs W didn't tick either of these boxes but she did complete and sign the separate application for PPI. So I think she agreed to take out the cover and she was aware she had a choice.
- Mrs W says Scotwest took advantage of her insecurity about taking out the loan and that in hindsight she didn't need PPI. But there isn't enough evidence for me to safely conclude that Scotwest did take advantage of her at the time, or told her she had to have PPI in order to get the loan.
- Scotwest says it didn't recommend the policy to Mrs W. But even if it did, it doesn't look as if the policy was unsuitable for her, based on what I've seen of her circumstances at the time. The policy would have paid out for longer than, and on top of, Mrs W's sick pay from work. It also offered unemployment cover. Mrs W says she could have relied on her husband for help if she was off sick or lost her job. But Mrs W's loan term ran for nearly five years so this wouldn't have been a guaranteed way to meet her loan repayments as people's circumstances can change. So I think the policy would have been useful to her.
- It's possible the information Scotwest gave Mrs W about the PPI wasn't as clear as it should have been. But it's unlikely she'd have been affected by any of the main things the policy didn't cover.
- The cost of the policy might not have been made clear to Mrs W during the telephone call. But it was set out on the loan agreement, which she signed. And given what she's told us about her circumstances, I think she might have found it difficult to meet the monthly repayments on the loan if she was off sick for some time or lost her job. So I don't think better information about the cost would've stopped Mrs W buying it.

my findings

I've considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. I think the relevant issues to take into account are the same as those set out in the note on our website about our approach to PPI complaints.

I asked Mrs W and Scotwest to send me any further comments they wanted me to consider before I reached a final decision. Scotwest has sent us further information about its business processes at the time. But I have not received a response from Mrs W. So I don't see a need to make any changes to my provisional conclusions.

Even if there were failings in the way Scotwest sold PPI to Mrs W, I think she would still have bought the policy, for the reasons I've explained.

my final decision

For the reasons set out above, I've decided not to uphold Mrs W's complaint about Scotwest Credit Union Limited.

Under the rules of the Financial Ombudsman Service, I am required to ask Mrs W to accept or reject my decision before 9 February 2015.

Sharon Parr
ombudsman