

complaint

This complaint is about monthly premium payment protection insurance (PPI) policies taken out with personal loans between 2003 and 2008. Miss B says Number One Police Credit Union Limited, trading as Number One Copper Pot Credit Union (NOCPU) mis-sold her the PPI.

background

I issued my provisional decision in January 2019, a copy of which is attached and forms part of this final decision. In my provisional decision I explained why I was not intending to uphold Miss B's complaint. I asked everyone to send me any further comments and information before I reached a final decision.

Neither Miss B or NOCPU had anything further for me to consider.

my findings

I've re-considered all the evidence and arguments already sent to us to decide what's fair and reasonable.

As I've not received any new evidence, I've reached the same conclusions I reached in my provisional decision, for the same reasons.

my final decision

For the reasons I've explained, I don't uphold Miss B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 5 March 2019.

Sonia Hussain
ombudsman

copy of provisional decision

complaint

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background

Miss B took out PPI policies with personal loans as per the following: -

Loan	Date of sale	Sales channel
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Loan 1	July 2003	Face to face
Loan 2	October 2003	Face to face
Loan 3	May 2004	Telephone application was taken and documents were sent to Miss B to complete, sign and return
Loan 4	July 2004	Telephone application was taken and documents were sent to Miss B to complete, sign and return
Loan 5	September 2004	Face to face
Loan 6	November 2004	Telephone application was taken and documents were sent to Miss B to complete, sign and return
Loan 7	July 2005	Postal
Loan 8	September 2005	Postal
Loan 9	November 2006	Postal
Loan 10	July 2007	Postal
Loan 11	March 2008	Postal

Miss B did take other loans but they did not include PPI. I've only looked at the loans which had PPI attached.

Our adjudicator didn't uphold the complaint. Miss B didn't agree so it's now been passed to me to decide.

my provisional 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 Miss B's case.

I'm intending to not uphold the complaint and I'll explain why.

To be clear:

- Miss B's employment circumstances remained the same for all the sales; and
- unless specifically stated, the PPI provided accident and sickness cover only.

Miss B has said PPI was not explained to her and she doesn't remember selecting it in her applications. NOCPU have said the optional nature of the policy would have been clear and it would have been up to Miss B to decide if she wanted the cover or not. Where there's a dispute about what happened, I have to base my decision on what I think is most likely to have happened, taking into account all the evidence that is available.

Loans 1, 2 and 5

The sales for these loans took place face to face. NOCPU has provided the applications for all these loans. I can see there is a clear option to select or decline PPI and PPI has been selected in all of them. NOCPU has also provided the agreements for all these loans and I can say it says that PPI is included. If Miss B didn't want PPI she could have declined to take it. So having taken everything in to consideration I think NOCPU made it clear that Miss B didn't have to take out PPI and she chose to take it out – although I can understand why she can't remember this now many years later.

Loans 3, 4 and 6

These sales were part of a telephone application where following a telephone conversation, the application and agreement were sent to Miss B to complete, and sign and return.

NOCPU has provided the applications for all these loans. I can see that there is a clear option to select or decline PPI and PPI has been selected in all of them. NOCPU has also provided the agreements for all these loans and I can say it says that PPI is included. If Miss B didn't want PPI she could have declined to take it. So having taken everything in to consideration I think NOCPU made it clear that Miss B didn't have to take out PPI and she chose to take it out – although I can understand why she can't remember this now many years later.

Loans 7 to 11

In these sales, NOCPU has said Miss B requested the application form to be sent. Once the application was completed, it was sent back to NOCPU. Following this, the agreement would be drawn up and sent to Miss B to sign and return.

NOCPU has provided the applications for all these loans. I can see there are three options:

- to take out accident, sickness and unemployment (ASU);
- to take out accident and sickness cover only (AS); or
- to decline to take any PPI cover.

Apart from loan 10, where Miss B selected ASU cover, I can see Miss B selected the AS option for the other loans and signed all the applications. She had the option to decline to take PPI altogether so I think it's more likely than not that she wanted PPI.

NOCPU has also provided the agreements for all these loans. There is another opportunity for Miss B to select or decline PPI, as well as confirm the cover she wants (ASU or AS). I can see in all the agreements she has selected "yes" for PPI and confirmed the cover she wants by crossing out the option she doesn't want.

So having taken everything in to consideration I think NOCPU made it clear that Miss B didn't have to take out the PPI and she chose to take it out – although I can understand why she can't remember this now many years later.

For all the sales, NOCPU has said they didn't recommend the PPI to Miss B so it didn't have to check if it was right for her. But it did have to make sure Miss B got the information she needed to decide if it was right for her.

It's possible the information NOCPU gave Miss B about the PPI wasn't as clear as it should've been. But she chose to take out the PPI - so it looks like she wanted this type of cover. Based on what I've seen of her circumstances at the time it doesn't look like she was affected by any of the exclusions to or limits on the PPI cover - so it would have been useful for her if something went wrong. It also looks like the PPI was affordable. So I don't think better information about the PPI would have put her off taking out the cover.

Miss B has said she would have received six months' full followed by six months' half sick pay from her employer if she was too ill to work. But the policy provided accident and sickness cover for up to 24 months per claim (as well as unemployment cover for 24 months per claim for loan 10). So I still believe it would have been useful for her if something went wrong

I've also thought about the commission Miss B paid on her policy – and whether NOCPU treated her unfairly.

NOCPU has told us that the commission for Miss B's policy was less than half of what she paid for each premium. We've looked at how NOCPU has been working this out and based on what we've seen it looks like it's right – Miss B's commission was less than half the cost of the policy. As

that's the case, I don't think it needed to tell her about the commission – so I don't think NOCPU treated her unfairly. This means it doesn't need to pay Miss B back any of the commission she paid for the PPI.