

complaint

Mr and Mrs H complain that Bank of Scotland Plc (trading at the time of sale as “Halifax”) mis-sold them a mortgage payment protection insurance (“MPPI”) policy in 2001.

background

Mr and Mrs H bought a MPPI policy which started in March 2001 to protect their mortgage repayments. The policy was sold during a branch meeting.

Mr and Mrs H believe Halifax mis-sold the policy. They believe they were told they should have it as it was the best thing to do. They also think they were not given enough information during the meeting.

Our adjudicator didn’t uphold the complaint. As the complainants don’t agree with the adjudicator’s opinion, the complaint has been passed to me.

my findings

I’ve considered all the available evidence and arguments to decide what is 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 Mr and Mrs H’s case.

I’ve decided not to uphold Mr and Mrs H’s complaint because:

- I can’t be sure how the policy was presented to Mr and Mrs H during the meeting. But I’ve looked at what they said about how the policy was sold – including that they felt the advisor told them they should have it. But I think, after considering the documentation provided including how PPI was presented on the separate application form, that they have signed, it is just as likely that they were advised it was a good idea to have the insurance to protect their mortgage repayments.
- I think Halifax recommended the MPPI to Mr and Mrs H (rather than tell them they had to have it), but it doesn’t look as if it was unsuitable for Mr and Mrs H based on what I’ve seen of their circumstances at the time.
- Halifax has provided some information about the costs relating to the MPPI that Mr and Mrs H took out. It has also provided us with documentation to show how it would have set out the cost and benefit of the policy, giving Mr and Mrs H enough information to decide if they wanted to take it.
- Its possible Halifax didn’t point out the main things the policy didn’t cover. But its unlikely Mr and Mr H would’ve been affected by any of these.
- Mr and Mrs H were taking on a financial commitment secured against their home. As such, I consider that the policy provided them with a useful additional benefit (over and above their employment benefits) for a reasonable cost to protect their home in the event that it was necessary for them to make a claim. I’m not persuaded Mr and Mrs H would have avoided protecting their repayments given the serious consequences of defaulting on a debt secured against their home.

I've taken into account Mr and Mrs H's comments, but these points don't change my conclusion.

my final decision

For the reasons set out above, I don't uphold Mr and Mrs H's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs H to accept or reject my decision before 30 October 2015.

Mark Richardson
ombudsman