

complaint

Mr C says Bank of Scotland plc (trading as Halifax) mis-sold him a payment protection insurance (PPI) policy.

background

Mr C bought the policy in 2003 at the same time as taking out a loan. The loan included an amount to pay for the policy.

Our adjudicator didn't uphold the complaint. Mr C disagreed with the adjudicator's opinion so 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 C's case.

I've decided not to uphold Mr C complaint because:

- Mr C signed a box to say that he wanted PPI. He also could've signed a box to say that he didn't want it. Mr C says that he only signed the box because Halifax put a cross in it telling him to sign there. He says that it didn't discuss PPI with him. But, Mr B took out the loan and PPI in a branch. And the option to sign to reject PPI was equally visible. So, on balance I think it's likely that Halifax put the cross in the box after discussing PPI with Mr C. And he had said he wanted to take out PPI. Although I can understand why Mr C may not remember this given that the sale was over 12 years ago. So I think Mr C would've known PPI was optional and he chose to take it out.
- Halifax recommended the PPI to Mr C, but it doesn't look as if it was unsuitable for him based on what I've seen of his circumstances at the time. Mr C says that, due to the nature of his employment, it was very unlikely he would've been made redundant. I accept that he did have a secure job. But I still think it's possible he could've found the policy useful. As well as covering him if he became unemployed, the policy could've also covered his repayments if he was off work sick. And the accident and sickness benefit covered him until he returned to work or the loan was repaid.
- The cost of the policy was shown – including the amount of the premium, the interest payable on the premium and the total cost. Although I can't see that the monthly cost of the PPI was made clear. But I still think Mr C would've had enough information to understand how much the PPI would cost if he kept the policy for its full term. I also think that Mr C could've afforded it.
- Mr C would've received a limited refund of the PPI premium if he cancelled the policy early. I don't know if Halifax thought about this when it recommended the policy to Mr C. But I've seen nothing to suggest he thought he would repay the loan early. So I don't think this made the policy unsuitable.

- It's possible Halifax didn't point out the main things the policy didn't cover. But it's unlikely Mr C would've been affected by any of these.

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

my final decision

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

Under the rules of the Financial Ombudsman Service, I am required to ask Mr C to accept or reject my decision before 9 November 2015.

Guy Mitchell
ombudsman