

complaint

Mr A complains that Capital Credit Union Limited ("CCU") mis-sold him three regular premium payment protection insurance ("PPI") policies, alongside personal loans obtained in August 2007, October 2007 and February 2008.

background to complaint

Mr A was sold PPI along with a personal loan obtained during a telephone call in August 2007. Sales documentation was then sent to Mr A to sign and return.

Mr A was sold regular premium PPI a further two times whilst he rearranged his finances with further personal loans obtained in October 2007 and February 2008. These two loans were sold to him by CCU through their website.

Mr A believes he was mis-sold all three policies. He has suggested that the optional nature of the policies was not made clear to him. He says he was made to believe on each occasion that he would not be given the loan without the insurance. He also suggests that the PPI was not appropriate for him because of his work benefits.

Our adjudicator rejected Mr A's complaint regarding the sale of the policies. He said within his letter sent to both parties that he thought the way the policies were presented to Mr A highlighted they were optional during the telephone call and during the online applications.

He also added that information was clearly disclosed to Mr A regarding a significant exclusion for pre-existing medical conditions, the costs were made clear and he was not affected by any other limiting term or exclusion. He concluded that the policies were not mis-sold.

As both parties still do not agree on this complaint, it has been passed to me to make a final decision.

my findings

I have considered all the available evidence and arguments from the outset, in order to decide what is fair and reasonable in the circumstances of this complaint.

Our general approach to considering complaints about the mis-sale of PPI is well-documented and is set out on our website.

In deciding what is fair and reasonable in the individual circumstances of this case, I have considered the issues in accordance with this general approach. This includes taking into account regulatory guidance, the law and good industry practice at the time the policies were sold.

I find it more likely than not, based on the evidence provided including sales documentation, that CCU did not give advice to Mr A when they sold the policies on the telephone and online during the three sales between 2007 and 2008.

So therefore I have not considered whether the policies were suitable for Mr A's needs at the point of sale in any of the sales. I have, however, considered whether CCU provided

information that was clear, fair and not misleading in order that Mr A could make an informed decision about the policies when they were originally sold to him in 2007 and 2008.

If there were shortcomings in the way in which CCU sold the policies, I then need to consider whether Mr A is worse off as a result. That is, would Mr A be in a different position now if there had not been any shortcomings.

Mr A says that the optional nature of the policies was not made clear to him during the three sales. He says that the documentation he received in the first sale suggested to him that he had to have the PPI in order to get the loan. Similarly this was the case again for the two online sales.

I have considered Mr A's complaint and reviewed the documentation provided to decide what I think, more likely than not happened.

CCU has submitted a '*demands and needs*' form that would have been seen by Mr A at the time of all three sales. He would have received the form through the post during the first sale, and seen the same when applying for his personal loans through the website on the other two sales. The forms, all signed by Mr A, state the following which suggest Mr A was provided with a choice:

"I wish to insure my loan for accident, sickness and unemployment cover.

I wish to insure my Loan for accident and sickness cover only.

I do not wish to take any form of payment protection insurance, and I am aware that I will still liable to make repayments to the credit union should I be unable to work through accident or sickness."

On balance, and taking into consideration the documentary evidence available, I am persuaded that CCU gave Mr A the choice to have PPI in 2007 and again in 2008. I have no doubt that Mr A has provided his honest recollections of what he considers happened during the sale of his personal loans and subsequent PPI. However his recollections are not persuasive or detailed enough when weighed against the documentary evidence that I have seen, for me to safely conclude that he was led to believe that PPI was a requirement of having the loan in any of the three occasions.

Moving on, CCU's duty at the time to Mr A was to ensure that it provided information that was clear, fair and not misleading so that he could have made an informed decision when he decided to go ahead with the PPI policies between 2007 and 2008.

And in consideration of this point, I think CCU did provide information that was clear, fair and not misleading. In particular I can see on the '*demands and needs*' form issued to Mr A that CCU has adequately disclosed information regarding pre-existing medical conditions. It says on this form:

"any medical condition for which you have received treatment for, or advice or were referred for investigation during the 12 month period immediately before the start date of the policy and which recurs within 12 months on the start date will not be covered by the policy."

Mr A suffered from a bad back at the point of sale in each of the three instances. This means that if CCU had not disclosed this significant term in a clear, fair and not misleading way,

then this could have potentially disadvantaged Mr A from making an informed decision. However this was not the case. I am satisfied the clause was disclosed clearly.

Moving on, as I have already concluded, I am persuaded CCU provided information that was clear, fair and not misleading. But even if I were to assume that there were shortcomings in the way CCU provided information to Mr A either verbally or through its sales documentation, I am not persuaded that Mr A would have acted differently (that is, not taken out the policy) if he had been properly informed, taking into account the policy benefits, cost of cover and his broader financial circumstances at that time.

I say this because Mr A was eligible for the policies and employed. He was in good health and does not appear to have been affected by any other limitations or exclusions on the cover such as those relating to unusual employment terms that might have put him off if he had been properly informed during the three sales between 2007 and 2008.

Mr A had some sickness benefits but had no savings or other private insurance policies.

I am therefore persuaded after looking at his circumstances, that Mr A would have found at least some need in obtaining PPI offered by CCU to cover him in times of accident, sickness and unemployment on the occasions that he was sold insurance.

So in conclusion and in all the circumstances of the complaint, I find CCU has provided Mr A with information that was clear, fair and not misleading. But even if there had been shortcomings, I am not persuaded Mr A's decision to go ahead with the policies would have been any different. I therefore conclude the policies were not mis-sold.

my final decision

For the reasons set out above, I do not uphold Mr A's complaint or make any award against Capital Credit Union Limited.

Mark Richardson
ombudsman