

Complaint

Mrs W, who is represented by a third party, has complained to us that Cheltenham & Gloucester Plc (C&G) mis-sold her payment protection insurance ('PPI') alongside a mortgage in January 1987.

Background

Mrs W said she did not know she had a PPI policy and it wasn't properly explained to her.

Our adjudicator didn't think the complaint should be upheld. Through her representatives, Mrs W disagreed with that view.

As Mrs W didn't agree with our adjudicator's view, the matter has been passed to me to make a final decision.

To be clear, this decision is about the PPI Mrs W took out in January 1987. It isn't about PPI cover she took out later, in October 2004.

My findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

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I haven't upheld this complaint. I'll explain the reasons for my decision below.

Mrs W and C&G agree this policy was sold to Mrs W during a meeting in a branch. I can't know what was said during that meeting. So to help me decide what's likely to have happened, I've looked at what Mrs W and C&G told me about the sale. And I've considered the paperwork that's available from the time. I think what was discussed in the meeting probably followed what I've seen in the available sale paperwork.

The first thing I've considered is whether Mrs W ought to have known she was buying PPI at the time. Mrs W said she didn't know she'd been sold a policy. But the evidence I've seen suggests she probably knew she'd agreed to buy PPI at the time – even if her recollection about it now isn't great.

I've seen a copy of the mortgage application form that Mrs W completed. Although the copy I've seen isn't as good as I'd like, I can see Mrs W ticked a box to she wanted to buy PPI. So it seems to me she knew, or ought to have known, that she was buying PPI to go with her mortgage.

C&G have agreed to treat this as an advised sale. That means I've looked at it on the basis that C&G had to make sure that the PPI was suitable for Mrs W's needs. To help me decide whether it was suitable, I've looked at what I've been told about Mrs W's personal circumstances at the time. And I've also considered the terms and conditions of the PPI

policy. From what I've seen I don't think the main terms and conditions of the policy would have made it difficult for Mrs W to make a successful claim if she needed to.

Looking at Mrs W's circumstances at the time, I see she was entitled to only limited benefits from her employer if she wasn't able to work due to an accident or sickness. The policy, on the other hand, would pay out for up to 12 months if she wasn't able to work – or if she lost her job. Mrs W told us that she was able to rely on friends and family to help with her mortgage repayments. But being able to do so very much depends on other having the financial means to help out, which can't always be guaranteed. So there was a real risk to her home if she couldn't keep up with her repayments.

Taking all of this into account, I think the policy probably was suitable for her.

Even so, I've kept in mind that Mrs W says the policy wasn't properly explained to her at the time. C&G had a duty to give Mrs W enough information about the PPI so she could decide for herself whether it was a good fit for her needs. That information had to be clear, fair and not misleading. As I said, I can't know exactly what was said to Mrs W during the meeting. And so it's possible that the information C&G gave her could have been clearer.

But I don't think more or better information about this policy would have made Mrs W change her mind about the PPI. For the reasons I've set out above, I think the policy was suitable and I think she probably thought she had a need for it at the time she bought it.

With all of this in mind, I haven't upheld the complaint, so I won't be asking C&G to do anything more.

Finally, whilst I'm sorry to have to disappoint Mrs W after all this time, I'd like to reassure her that I've given careful consideration of everything on the file, dating back to when her complaint first came to us.

My final decision

I don't uphold this complaint and I don't require Cheltenham & Gloucester Plc to take any action to put things right.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 5 September 2019.

Michael Goldberg
ombudsman