

complaint

Mrs C says HSBC Bank Plc ("HSBC") mis-sold her a mortgage payment protection insurance ("MPPI") policy.

background

This complaint is about a monthly premium MPPI policy taken out with a mortgage in 2002.

Our adjudicator didn't uphold the complaint. Mrs 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 and Mrs C's case.

I've decided not to uphold Mrs C's complaint because:

- I think HSBC made Mrs C aware that the MPPI was optional and that she chose to take it. I've seen that this policy was sold following a meeting in branch with HSBC's representative and following a full personal financial planning review. This shows that HSBC recommended the product to Mrs C. After the meeting HSBC wrote to Mrs C explaining its recommendation. I haven't seen anything which suggests to me it was compulsory and that Mrs C had to take this policy out. I think Mrs C had time to consider her options following this meeting and chose to take it knowing it was optional. I'm persuaded she wanted the MPPI.
- HSBC recommended the MPPI to Mrs C, but it doesn't look as if it was unsuitable for her based on what I've seen of her circumstances at the time. I can see that Mrs C has told HSBC at the time of the sale that she was entitled to 3 month's full pay followed by 6 month's half pay. The policy would've paid out for longer than Mr C's sick-pay and would've been of use to her if she was unable to work for extended periods of sickness or absence. It would also been of use if she was made redundant, paying alongside any workplace scheme. The policy would've provided useful benefits and would give peace of mind during times of financial difficulty.
- I think HSBC could have explained the cost of the policy better than it did. But even if it had, I think Mrs C would've still bought it. I've not seen anything which suggests to me that she couldn't afford the MPPI at the time. So even if the costs were explained, I don't think she would've been put off buying it.
- It's possible HSBC didn't point out the main things the policy didn't cover. But it's unlikely Mrs C would have been affected by any of these. She was working in a full-time role and didn't have any medical conditions at the time of sale. Any exclusions, such as those relating to the self-employed, or to those who had pre-existing medical conditions wouldn't have bothered Mrs C at the time. Any information which wasn't disclosed therefore wouldn't have put Mrs C off her purchase.

I've considered where Mrs C has told me that she had to undergo a medical test at the time of taking out the mortgage. However, I've seen nothing which suggests to me that she had to have this test for the PPI and that her mortgage application would've been rejected without it. Given the passage of time I can't say how this policy was sold. And although I don't doubt Mrs C's strong recollections on this point of the sale, I can't say, based on her testimony alone, that she had to have the PPI to secure the mortgage.

I'm persuaded that Mrs C chose to take the policy. The recommendation was suitable for her circumstances at the time and although the information HSBC provided about the cost and the exclusions of cover could've been better, I don't think Mrs C has lost out as a result.

I don't uphold this case.

my final decision

I don't uphold this complaint and I make no award against HSBC Bank plc. Under the rules of the Financial Ombudsman Service, I am required to ask Mrs C to accept or reject my decision before 18 February 2016.

Daniel Lucas
ombudsman