

complaint

Mr and Mrs C complained that they were mis-sold payment protection insurance (PPI) with a mortgage with Legal & General Partnership Services Limited (L&G).

background

L&G agreed that Mr and Mrs C had been mis-sold PPI and made them an offer of £14,604.42.

Mr and Mrs C were happy with the amount of the offer but they complained because during the arranging of their mortgage they had paid broker fees of £2,167.00.

Mr and Mrs C wanted all or at least half of the broker fees returned to them.

Our adjudicator didn't uphold this complaint. Mr and Mrs C disagreed with the view and the matter has been passed to me to make a final decision.

my findings

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

L&G have agreed that the policy was mis-sold and made Mr and Mrs C an offer. Mr and Mrs C have said they are happy with the offer and so I am not going to look into whether the offer is fair other than to say it is in line with our approach.

What I need to decide is whether Mr and Mrs C are entitled to be compensated for the broker fees they paid on taking out their mortgage.

I have considered this. But I agree with our adjudicator. The fees were not just relating to the sale of the PPI policy. They related to arranging the whole mortgage and L&G were clear in stating that they were not refundable.

It is our role to decide whether the consumer has been put back in the position they would have been in if they hadn't taken PPI. In this case this means fully refunding the PPI premiums plus interest and adding 8% special interest for the time the consumer was out of pocket.

I am satisfied that the offer does this. L&G have put Mr and Mrs C back in the position they would have been in but for the PPI. Because the fees were not charged as a result of the PPI, they cannot be refunded to Mr and Mrs C so I won't be telling L&G to award more compensation.

I have also considered whether Mr and Mrs C are due any more money, for example, if the PPI affected them in any other ways that are not just financial such as through the general handling of the complaint. I didn't see any evidence in this matter to suggest this had occurred.

my final decision

For the reasons I have set out above, I am not upholding this case against Legal & General Partnership Services Limited.

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

Miranda Bates
ombudsman