

## **complaint**

Mrs B complains that Dashwise Limited mis-sold payment protection insurance ('PPI') to her, when she bought a car.

## **background**

In 2007 Mrs B bought a car on hire purchase ('HP') through Dashwise, trading as 1<sup>st</sup> Choice Motors. She also bought a single premium PPI policy.

Mrs B is complaining about how the PPI was sold to her. Among other things, she says she wasn't given any choice about whether to have it. She says it was presented as part of the deal, and she was told she wouldn't get the credit without having PPI too.

Our adjudicator took the view her complaint should be upheld. He didn't think there was enough evidence to show that Mrs B had been made aware that PPI was a separate and optional product, or that she'd actively confirmed she wanted to buy it.

But Dashwise doesn't agree, so it's come to me to decide.

## **my findings**

I've considered all the available evidence and arguments, to decide what's 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 Mrs B's case.

Having done that, I'm upholding her complaint. I'll explain why.

It's not very clear how Mrs B came to buy the PPI. I've seen the HP agreement that she signed, which said PPI would be added. And Mrs B says she bought the PPI from Dashwise, at its premises. But Dashwise says she wouldn't have done, as it never sold PPI.

So Mrs B and Dashwise have given us very different versions of events. And I've not got any paperwork from the sale, to help me understand what happened, apart from the HP agreement. So I've had to decide what I think's most likely to have taken place, based on this agreement and on what Mrs B and Dashwise have told us about the sale.

Dashwise doesn't accept that it sold the PPI to Mrs B. And I've thought carefully about that. But from what I've read and been told, I think it probably did. That's because Mrs B says it was Dashwise who sold it to her. The finance provider says that too. Dashwise was authorised at the time to sell PPI. The fax data on the copy I've got of the HP agreement suggests it was probably signed at Dashwise's premises. And I've seen nothing to show that Mrs B spoke or dealt directly with the finance provider about PPI.

So on balance, in my view it's likely Dashwise did sell the PPI to Mrs B. That meant it had to make her aware that she could choose whether or not to have it. But Mrs B says she wasn't told that. Instead, she says she was led to believe it was part of the HP deal, and that she wouldn't get the credit if she didn't take it out. And she says she wouldn't have wanted it, if she'd been given a choice.

I don't know what, if anything was said about this at the time. I've taken into account that the HP agreement calls the PPI 'optional'. But by the time she was signing it, the sort of PPI policy she was going to have, and its cost, had already been typed into the agreement.

So to my mind, either the agreement was just presented to Mrs B to sign, with the PPI already included, or there'd been a discussion between Mrs B and Dashwise about PPI and she'd agreed to have it. Dashwise hasn't told us anything about what its process was for this sale. So I don't know which of these is right.

But importantly, I see the agreement had a specific section dealing with PPI, including a box to be ticked if Mrs B wanted it. That box wasn't ticked.

And she didn't sign this part of the agreement either, where she would've done to say she understood she was buying PPI. So there's nothing to show me clearly that she agreed to buy PPI, knowing she had a choice.

I've carefully considered the limited information that I've been given. With such differing versions of events, it's been a difficult case to decide. I can't be sure what happened.

But Mrs B's recollections are consistent and, in my view, plausible. Dashwise hasn't explained to me how Mrs B's policy came to be sold, or what it had told or given to her before she bought it. And I don't think the way the HP agreement was completed is enough to show that Dashwise made her aware she had a choice, and that she decided to have the PPI. On the contrary, the way the PPI section's been left blank suggests she didn't want it.

So overall, I've not been shown clearly enough that Mrs B was given a fair choice, and had the chance to decide whether or not she wanted PPI. Or that she then chose to have it, knowing it was up to her whether or not to take it out.

And on balance, based on the information I've got, I think it's fair and reasonable to uphold Mrs B's complaint. Which means I don't need to come to a view on any of the other issues she's raised about the sale.

### **putting things right**

Mrs B has told us the HP loan's been paid off. But I haven't been told whether it ran to term, or if it was paid off early. So I've set out the compensation to be paid in either situation.

#### *if the loan was paid off early and the PPI policy cancelled*

Mrs B borrowed extra to pay for the PPI, so her HP loan was bigger than it should've been. She paid more than she should've each month and it cost her more to repay the loan than it would've. So Mrs B needs to get back the extra she's paid.

So, Dashwise should:

- Work out and pay Mrs B the difference between what she paid each month on the loan and what she would've paid without PPI.
- Work out and pay Mrs B the difference between what it cost to pay off the loan and what it would've cost to pay off the loan without PPI.
- Add simple interest to the extra amount Mrs B paid, from when she paid it until she gets it back. The rate of interest is 8% a year<sup>†</sup>.

If Mrs B made a successful claim under the PPI policy, Dashwise can take off what she got for the claim from the amount it owes her.

† HM Revenue & Customs requires Dashwise to take off tax from this interest. Dashwise must give Mrs B a certificate showing how much tax it's taken off, if she asks for one.

*if the loan and policy ran to term*

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- Work out and pay Mrs B the difference between what she paid each month on the loan and what she would've paid each month without PPI.
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If Mrs B made a successful claim under the PPI policy, Dashwise can take off what she got for the claim from the amount it owes her.

† HM Revenue & Customs requires Dashwise to take off tax from this interest. Dashwise must give Mrs B a certificate showing how much tax it's taken off, if she asks for one.

### **my final decision**

For the reasons I've explained, I'm upholding Mrs B's complaint.

Dashwise Limited is to pay Mrs B the fair compensation I've described.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 14 November 2016.

Chris Langford  
**ombudsman**