

complaint

Mr and Mrs V complain that The Prudential Assurance Company Limited ('Prudential') mis-sold payment protection insurance ('PPI') to them when they re-mortgaged their home in 1999.

background

Our adjudicator didn't think this complaint should be upheld. Mr and Mrs V didn't agree with that view and so 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. 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 this case.

I haven't upheld Mr and Mrs V's complaint. I'll explain why below.

The PPI was sold to Mr and Mrs V during a meeting in their home with the Prudential representative. I can't know what was said at that meeting. To help me decide, I've looked at what Mr and Mrs V remember about the sale, what Prudential told us about it and the paperwork that's available from the time. I think that what was said at the meeting probably followed what was written in the paperwork.

The first thing I've considered is whether Prudential made it clear to Mr and Mrs V that this policy was optional and they didn't have to buy it if they didn't want it. Mr and Mrs V say Prudential told them they'd have a better chance of getting the mortgage if they took the PPI. I don't doubt that's what Mr and Mrs V honestly remember about the sale. But I can see that Mr and Mrs V rejected other financial products that were suggested at the time. For example, the paperwork shows they did not want to take out life and critical illness cover. So that suggests Mr and Mrs V would've known they didn't have to go along with the products Prudential made alongside their mortgage if they didn't want to.

This was an advised sale. So, Prudential had to make sure that the PPI was suitable for Mr and Mrs V's needs. I've looked at Mr and Mrs V's circumstances at the time to see whether this policy was a good fit for them.

The PPI was set up to cover Mr V only and I think that was right. I say this because Mr V was the main wage earner. Mrs V worked part-time on a seasonal basis. The policy would have covered Mr V for a maximum of 12 months if he was unable to work because he was ill or if he lost his job because of redundancy.

Mr and Mrs V told us that Mr V would have received less than three months' sick pay if he couldn't work. They also told us they had no savings and no other way to make their mortgage payments if Mr V wasn't working. Mr V was in good health at the time and so I don't think he'd have been caught by any of the policy's exclusions about medical conditions if he'd needed to make a claim. I haven't seen anything unusual about his employment circumstances that would've meant he couldn't make a claim for redundancy if he needed to.

The policy would've cost Mr and Mrs V just over £6 per month and I haven't seen anything to suggest this was unaffordable for them at the time or that they needed to keep their costs down. The mortgage was secured on Mr and Mrs V's home, so it would have been at risk if Mr V became ill or lost his job. Overall, I think the PPI policy was probably suitable.

Prudential also had to give Mr and Mrs V enough information about the policy so they could decide themselves whether it was right for them. That information had to be clear, fair and not misleading. It's possible that Prudential didn't give Mr and Mrs V as much information as they should have. But I don't think that Mr and Mrs V would've acted differently if they'd been given more or better information about the PPI. As I said above, I think the policy met their needs and it seems to have been affordable for them at the time.

It follows that I don't uphold the complaint and I don't require Prudential to do anything more.

my final decision

For the reasons I've set out above, I haven't upheld this complaint and I don't require The Prudential Assurance Company Limited to take any action to put things right.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs V to accept or reject my decision before 30 April 2018.

Nicola Bowes
ombudsman