

## **complaint**

Mr and Mrs W say The Prudential Assurance Company Limited mis-sold them payment protection insurance (PPI).

## **background**

Mr and Mrs W took out a mortgage and bought a PPI policy in 1999 following a meeting with Prudential. The policy covered Mr W only. From what Prudential says, it would've paid a monthly benefit for up to 12 months if Mr W was off work sick or lost his job.

Mr and Mrs W say they were told the PPI was compulsory if they wanted the mortgage. And they say they didn't need it because they had good work benefits, some savings and parents who would've helped out if needed.

The adjudicator who looked at Mr and Mrs W's complaint didn't uphold it. Mr and Mrs W disagree and so their complaint has 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 here.

Having done so, I've decided not to uphold Mr and Mrs W's complaint. I'll explain why.

Mr and Mrs W say Prudential told them they wouldn't be granted the mortgage unless they took PPI. Prudential says PPI wasn't a condition of the mortgage. The sale took place in a meeting and so I can't know how the PPI was presented. Prudential has, though, given us some paperwork from the time, including a personal financial review for Mr and Mrs W and their mortgage application.

To uphold Mr and Mrs W's complaint on this point, I'd need to think it was likely Prudential told them they had to have PPI to get their mortgage. The evidence I've got isn't strong enough to make me think this. Mr and Mrs W's recollections of what happened aren't detailed. The paperwork I've got shows there was some discussion about how Mr and Mrs W wanted to protect their mortgage. I can see they declined some insurance products, so I think it's likely they knew they had choices as part of that discussion. And there's nothing in the paperwork to suggest the PPI was compulsory. So, while it's possible things happened as Mr and Mrs W say, I think it's more likely they agreed to it at the time, knowing they didn't have to.

Mr and Mrs W say Prudential recommended the PPI to them. Prudential says it didn't. From the limited information I've got, it's difficult to make a finding on this point. But even if I assume Prudential did recommend it – meaning it needed to take reasonable steps to make sure it was right for Mr and Mrs W – I think it was right for them. I say this because, from what Mr and Mrs W say of their circumstances at the time and from the policy terms Prudential says are likely to have applied:

- Mr W was eligible for the cover. And he wouldn't have been caught by any of its main exclusions and limitations, meaning he could've claimed the full policy benefit had he needed to.

- I think the policy gave Mr and Mrs W useful protection. A mortgage is a significant financial commitment, secured on your home, and falling behind on your mortgage repayments can have serious consequences.

Mr W says he had good sick pay benefits and would've got a good redundancy package. Mr and Mrs W say they also had some savings and their parents would've helped them out if needed. But the PPI would've paid a monthly benefit on top of Mr W's sick pay or any redundancy pay he got and is likely to have lasted longer than his sick pay did. It would've meant he and Mrs W wouldn't have needed to use their savings to pay the mortgage. And while I'm sure Mr and Mrs W's families would've helped if they could, this sort of help can't always be guaranteed and isn't the same as having an insurance policy to fall back on.

- The policy looks to have been affordable for Mr and Mrs W and I haven't seen anything to make me think its cost made it unsuitable for them.

Even though the policy was suitable, Prudential should also have given Mr and Mrs W clear enough information about the PPI so they could decide for themselves if it was right for them. It's possible Prudential didn't give them all the clear information it should've done. But the policy covered a mortgage that was secured on their home. It looks likely to me Mr and Mrs W wanted to protect those repayments at the time and I think the PPI was right for them in their circumstances. So I think clearer information, had it been needed, would only have confirmed this to them and wouldn't have made them change their minds.

I've looked at all of Mr and Mrs W's comments but they don't change my conclusions. I don't think they've lost out because of anything Prudential may have done wrong, so there's nothing it needs to do to put things right.

### **my final decision**

For the reasons I've given, I don't uphold Mr and Mrs W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs W to accept or reject my decision before 12 April 2018.

Jane Gallacher  
**ombudsman**