complaint

Mrs H complained she was mis-sold a payment protection insurance (PPI) policy with a store card by Home Retail Group Insurance Services Limited ("HRG").

background

I've attached my provisional decision from December 2015, which forms part of this final decision. In my provisional decision I explained why I didn't propose to uphold Mrs H's complaint. I invited HRG and Mrs H to send in any further comments or evidence they wanted me to consider by 4 January, before I reached a final decision. Neither party sent anything else in.

my findings

I've reconsidered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. As neither HRG nor Mrs H provided further evidence or arguments for consideration, I've no reason to change the conclusions set out in my provisional decision. So I don't uphold Mrs H's complaint.

my final decision

For the reasons I've explained, I've decided not to uphold Mrs H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 8 February 2016.

Jan Ferrari
ombudsman

COPY OF PROVISIONAL DECISION

complaint

Mrs H complained she was mis-sold a payment protection insurance (PPI) policy with a store card by Home Retail Group Insurance Services Limited ("HRG").

background

Mrs H bought the PPI with a store card in October 2005. HRG said the sale took place during a phone call, when Mrs H rang to confirm that she'd received her store card. It also said it advised Mrs H to take the cover. Mrs H said the sale took place during a meeting and she only took the PPI because she thought she didn't have a choice.

The policy cost £1.30 per £100.00 owed. If Mrs H had successfully claimed on the policy for sickness or unemployment, each month it would've paid out 15% of the balance. This would've carried on until she returned to work or the balance was cleared. The policy also provided life and critical illness cover, and purchase protection cover.

Our adjudicator thought HRG hadn't made it clear that Mrs H had a choice about taking the PPI. So he upheld the complaint.

my provisional 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 H's case.

I don't propose to uphold Mrs H's complaint.

From what we know about HRG's sales of PPI at this time, I think it's most likely that the sale took place by phone as HRG said. It couldn't give us a recording of the phone call during which the PPI was sold, but it gave us a copy of the script it said would've been used. The script shows that the adviser was required to ask Mrs H for her agreement to add the PPI to her card. Although I can't know for certain whether the adviser followed the script exactly, I think it's likely that the script was *broadly* followed. On balance I think Mrs H most likely *was* given a choice about whether to take the PPI, and that she decided to take it. I think she probably just doesn't remember doing so.

HRG advised Mrs H to take out the policy. So it had to make sure that it was suitable for her. I think it was.

The script only required the adviser to briefly mention the things not covered – but I can't see that Mrs H would've been affected by any of these. From the information I have it looks as though Mrs H didn't have any entitlement to sick pay from her employer. She also said she had no other ways of covering the card repayments. Overall I think Mrs H could've found it difficult to meet the monthly payments on the card quite quickly if she was off sick or lost her job. So I don't think there was anything wrong with HRG recommending the PPI.

I've also considered the information that HRG gave Mrs H. The script required the adviser to ask Mrs H whether she agreed to receive only brief details of the cover, with the full policy being promised after the call. It also included the cost per £100 of the outstanding balance. I think the explanation of the cost and benefits could've been clearer. But, on balance, I think there was enough information for Mrs H to reasonably understand the main points of the cover.

Given Mrs H's circumstances, I don't think more detailed information about the costs and benefits would've changed her decision to take the policy. And I think it could've provided valuable protection if she'd been unable to work. This means she's not worse off as a result of what HRG did wrong, so there's nothing HRG needs to do to put things right.

my provisional decision

For the reasons I've explained, I'm not proposing to uphold Mrs H's complaint.

Jan Ferrari
ombudsman