complaint

Mr S complains that National Westminster Bank Plc ("Natwest") mis-sold him a mortgage payment protection insurance ("MPPI") policy.

background

This complaint is about a regular premium MPPI policy taken out by Mr S in February 1999 alongside a mortgage. The policy protected his mortgage repayments in the event Mr S had an accident, was sick or was made unemployed.

Mr S through his representatives says he had good sick pay and savings and so didn't need the policy. He also thinks at the time of sale he wasn't made aware the policy was optional. He was just made to sign the application form. He also doesn't think the costs were explained to him. He thinks he was mis-sold the policy.

Our adjudicator did not uphold the complaint. Mr S disagreed with the adjudicator's opinion so the complaint has been passed to me.

my findings

I've considered all the available evidence and arguments to decide what is 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 Mr S's case.

I have decided not to uphold Mr S's complaint about the sale of the policy. Here are my reasons:

- I think Mr S was eligible for the policy given his circumstances and the MPPI terms and conditions that applied.
- This has been a difficult complaint for me to consider as I haven't been able to see all of the sales documentation that would have been used at the time of sale. I have though, been able to see the mortgage application form and also read Mr S's recollections.
- I can't be sure what was discussed between Mr S and Natwest during the meeting. It's completely understandable that Mr S's recollections are not detailed as the sale happened a number of years ago. And because of this and the detail given in the mortgage application form, I don't think the evidence is strong enough for me safely to say Natwest didn't explain that PPI was an optional feature or that it only offered a mortgage with PPI included. So I don't uphold Mr S's complaint on this point.
- Moving on, I need to consider next whether Natwest provided advice to Mr S or not during the sale. If it did, it would have had an additional responsibility to ensure the policy was suitable for him. But on looking at the information provided and also taking into consideration of what I know of Natwest sales during this time, I don't think advice was given. Natwest still had to ensure that it provided information to Mr S in a clear, fair and not misleading way however, so that he could make an informed decision on whether he wanted the policy.

- And based on the information I've seen, I can't be entirely sure that Natwest did provide clear information to Mr S. That said, I am not sure he would have acted differently (that is, not taken out the policy) if he had been properly informed.

- I say this after considering Mr S's circumstances at the time of sale. Because, although Mr S had reasonable sick pay, the MPPI policy would have paid out for up to 12 months if he couldn't work or was sick in addition to his provisions. Having the policy in place would mean Mr S could use any sick pay and savings he may have to cover his other expenses. I don't think his other means are sufficient for me reasonably to say that Mr S would have had some use for the policy.

- Mr S was not affected by any of the conditions limiting the policy's main benefits, such as those affecting self-employed people or for someone that had a pre-existing medical condition. It is unlikely Mr S needed better advice or information about the policy's exclusions and limitations and if he had received clear information on these terms I don't think it would have put him off.

- Finally, I haven't seen enough that would suggest to me that Natwest disclosed the costs of the policy in a clear way, but even if it did, I don't think Mr S would have done anything differently for the same reason as I have already given. I've also seen nothing to suggest it was unaffordable. So overall, I think it unlikely he would have made a different decision about whether to take out PPI if better information had been provided.

In conclusion, I do not think the policy was mis-sold.

my decision

For the reasons set out above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr S to accept or reject my decision before 19 February 2016.

Mark Richardson
ombudsman