

## **complaint**

Mr and Mrs B say Barclays Bank plc mis-sold them mortgage payment protection insurance (MPPI).

## **background**

I issued a provisional decision in September 2015, setting out why I thought the complaint shouldn't be upheld. That decision is attached and forms part of this final decision.

I asked both parties to provide any further submissions or information to me within a month.

## **my findings**

I've reconsidered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Barclays received my decision but didn't have anything new to send me.

Mr and Mrs B sent me more documents but these only related to evidence they'd taken MPPI out with Barclays. I can see why these were sent to me because Barclays initially thought Mr and Mrs B hadn't taken out MPPI on the mortgage products they had with it.

However, this was later clarified and I've looked thoroughly into whether MPPI was mis-sold to them. I'm grateful to Mr and Mrs B for sending these, but they don't affect my decision. My provisional decision explained that I thought Mr and Mrs B had made a choice to take out MPPI having discussed it with Barclays. I thought they had a use for the type of cover it offered and that they had been given enough information about the policy by Barclays.

So there's no reason for me to change the findings I set out in my provisional decision.

## **my final decision**

For the reasons set out in my provisional decision, I don't uphold Mr and Mrs B's complaint and I don't require Barclays Bank plc to do anything to put matters right. Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs B to accept or reject my decision before 5 November 2015.

**Michael Campbell**  
**ombudsman**

## **copy – provisional decision**

### **complaint**

Mr and Mrs B complain that Barclays Bank plc (Barclays) mis-sold them a mortgage payment protection insurance (MPPI) policy called Mortgagecare in 2009. They make a number of points, but their central complaint is that they were made to believe they were required by Barclays to have Mortgagecare, and that it wasn't suitable for them.

### **background**

Only Mr B was named on the policy. In the event of a claim arising from accident, sickness or unemployment, it could have paid a monthly benefit of £280.

Our adjudicator said Mr and Mrs B's complaint should be upheld. But Barclays didn't agree and the complaint has been passed to me for an ombudsman's decision.

### **my provisional 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 this case.

The first thing I looked at was whether they ever agreed to buy MPPI.

It's not entirely clear how and where the policy was sold but Mr and Mrs B were already mortgage customers with Barclays and say it was sold during a meeting. Barclays say it was sold as a 'stand-alone' product. This means it wasn't specifically linked to a mortgage but it could have helped cover mortgage payments in the event of a claim.

Having looked into their circumstances, I can see that Mr and Mrs B had a number of mortgages and further advances with Barclays between 1999 and 2010. This MPPI policy was taken out in 2009. So because it wasn't taken out at the same time as any of their mortgage borrowings, I think it would have been clear to Mr and Mrs B that it wasn't something they needed to have to either get or keep their mortgage.

Barclays hasn't been able to show me anything that directly proves Mr and Mrs B signed to agree to buy the MPPI. But it has provided other documents which it says were sent to them.

I've seen two letters that were sent to Mr and Mrs B just before the policy became active which describe their Mortgagecare application and that such a policy is about to be set up.

I've also seen evidence of the monthly payment for the MPPI coming out of their current account which Barclays says would only have been possible if they'd signed a separate direct debit instruction.

All these facts, taken together, satisfy me that Mr and Mrs B agreed to buy the policy. And they would have known they had an option because it was a separate product, purchased at a different time to their mortgage.

There's no dispute that Barclays recommended the MPPI policy in this case. It was therefore under an obligation to ensure it was suitable for Mr and Mrs B. I looked at their ages, jobs, health and general circumstances of the time to help me decide this.

I think Mr B was eligible for this type of policy and I've got no evidence he would have been caught by any of the major policy exclusions. The cost was comparable with similar policies I know were marketed at around that time and I've seen nothing suggesting it was unaffordable for them. Mr B had some sickness protection with his work but the MPPI provided wider and longer cover and could have paid a monthly sum to help cover living costs in addition to what his job provided.

Barclays also said that it carried out an assessment of their needs and from the documents I've seen in this case, I think it's likely that this took place. I can't say what prompted Mr and Mrs B to agree to take out this type of cover after previously managing without it. But this doesn't necessarily mean the policy wasn't wanted or of use to them. Attitude to risk can change due to a number of factors and Barclays says it recommended the cover based on what Mr and Mrs B told it during the meeting. I've seen the demands and needs statement on which Barclays recorded its rationale for why MPPI was recommended.

So I can see how Mr and Mrs B could have had a need for this type of policy and I don't think it was unsuitable for them.

Barclays had to give Mr and Mrs B information that was clear, fair and not misleading to enable them to make an informed decision about whether to buy the policy. Barclays sent Mr and Mrs B a letter in January 2009 which illustrated the key facts about the cover, including information about the costs and benefits. Barclays says it also provided a policy document explaining all the details of the cover.

Even if there were shortcomings in the information Barclays provided, I don't think this would have made any difference to whether or not they bought the policy in this particular case. I note that Mr and Mrs B previously held a similar MPPI policy with another provider and so I think it's reasonable to say they had some knowledge of what this type of cover offered. And I think the circumstances in which this policy was bought, separate to their mortgage, suggests this was a policy Mr and Mrs B wanted.

I can fully appreciate how difficult it is for Mr and Mrs B to remember everything about the sale. But they've said they thought the policy was something they needed to have whereas I think the facts suggest they had a discussion with Barclays – and they then chose to buy it. For these reasons, I don't think the policy was mis-sold.

#### **my provisional decision**

I don't intend to uphold this complaint or direct Barclays Bank plc to put any matters right. I now invite all parties to submit any further evidence or comments they wish me to consider by 5 October 2015 after which I will issue a final decision.