

complaint

Mr S complains that Bank of Scotland plc (BoS) mis-sold him payment protection insurance ("PPI") when he took out a loan.

background

Mr S took out a loan to purchase a car in 1993. Regular premium PPI was applied to the loan at the same time. The policy covered the loan repayments in the event that Mr S was unable to work due to unemployment for up to 24 months per claim and for up to the term of the loan for absence due to accident or sickness.

Our adjudicator considered the complaint but decided not to uphold it. Mr S disagrees with this view so the matter has come to me for a final decision.

my findings

I have 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 complaint.

method of sale

The parties are agreed that BoS recommended the policy to Mr S. That means it had to take adequate steps to ensure that the policy was reasonable for his needs. BoS also had to provide Mr S with clear, fair and not misleading information about the policy.

did BoS give Mr S a fair choice about whether to take out the policy?

I'm mindful that this sale took place over 20 years ago. On balance, I don't have enough evidence to find that Mr S wasn't presented with a fair choice.

was the policy suitable for Mr S's needs?

I don't know what was said to Mr S about the policy at the time, but I think it was suitable for him because:

- i. he was eligible for it. Mr S told us he was an agency worker in 1999. But the screenshots from the time (1993) show that Mr S was working and had been working for that employer for over 2 years. We've given Mr S time to give us further information about this, but he hasn't come back to us. So I am going to rely on the screenshots that I've seen;
- ii. Mr S says he wasn't entitled to any sick pay or redundancy pay. This policy paid out up to 24 months per claim if he became unemployed and up to the term of the loan if he was off work due to accident and sickness. I can also see that Mr S didn't have any other means of meeting the loan repayments. So I think the PPI would've been useful to him;
- iii. Mr S wasn't caught by any of the exclusions or limitations within the policy;

- iv. The policy was competitively priced and Mr S has not said he was unable to afford it.

did BoS provide Mr S with clear, fair and not misleading information about the policy?

I don't know what information was given about the policy at the time. It's possible that clearer information could have been given about the policy. But for the reasons I've given, I think Mr S would've bought the policy even if clearer information had been given.

I have taken Mr S's points into account, but I don't think it would be fair and reasonable to uphold this complaint.

my final decision

For the reasons given, I am not upholding this complaint. So Bank of Scotland plc doesn't need to do anything.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr S to accept or reject my decision before 8 February 2016.

Sarah Tozzi
ombudsman