

complaint

Miss C complains that Decidebloom Limited (trading as Stoneacre) mis-sold her a payment protection insurance (PPI) policy. She says Stoneacre didn't make her aware she had a choice about taking out the policy and she didn't need it. She also says that Stoneacre didn't give her enough information about the policy.

background

In 2008, Miss C took out a loan to buy a car. At the same time, Stoneacre sold her a PPI policy. The policy cost £32.99 per month and covered Miss C's loan repayments of £194.08 if she couldn't work because of an accident or sickness, and if she lost her job. It also offered her life and critical illness cover.

Our adjudicator didn't think Miss C's complaint should be upheld. She says it was clear the policy was optional and she felt Stoneacre had given Miss C just enough information about the policy so that she could decide whether to take it out. Miss C disagreed. She says Stoneacre forcefully persuaded her to take out the policy and didn't give her enough information about it.

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 in deciding Miss C's case.

I've decided not to uphold Miss C's complaint, and I'll explain why.

Miss C says Stoneacre pressured her to take out the policy. She's told us '*I was a single female, new to car finance and felt targeted, victimised and forcefully persuaded.*' And she says that the Stoneacre sales person selected PPI on the paperwork – not her. Stoneacre disagreed. It gave us copies of Miss C's sales paperwork as evidence that it presented the policy as optional to Miss C. And she chose to take it out.

Stoneacre has given us copies of Miss C's demands and needs statement, PPI application and loan agreement. The PPI application form states that the PPI was optional, and Miss C had to tick a box and sign the form to confirm she wanted the cover. The demands and needs statement also says the PPI was optional, and Miss C again ticked a box and signed to say that she'd chosen to take out the cover. There was a separate section on this form that could've been signed to say that PPI wasn't wanted.

The demands and needs statement offered Miss C other products including Guaranteed Asset Protection (GAP) and Mechanical breakdown insurance. I can see that Miss C wasn't interested in those particular insurances, and has signed to decline to take them out. As the GAP cover and mechanical breakdown insurance wasn't taken out, I think Miss C would've known she could decline insurance if she'd wanted to. I've also not seen anything in the paperwork that would've given Mrs H the impression the PPI was a condition of her borrowing being approved.

I know Miss C says Stoneacre forcefully persuaded her to take out the insurance. And while I think it's quite possible that the sales happened as Miss C has told us, I simply don't have enough evidence for me to be able to say Mrs C wasn't given a choice about taking out the policy. I've also kept in mind that Miss C had to sign more than once to confirm she wanted the cover, and she could've signed to say she *didn't* want it. So overall, I think she most likely was aware she had a choice about the PPI, and decided to take it. So I don't uphold her complaint on this point.

The paperwork says that Stoneacre wasn't going to give Miss C advice about the policy, so it didn't have to check to see if the policy was right for Miss C's needs. That was a decision she had to make for herself. But it did have to give her enough information about the policy so that she could make an informed decision.

I've noted that whilst the cost of the policy and its benefits/exclusions were contained in the paperwork, they weren't presented in one single document, which would've avoided the need for Miss C to have to cross-reference various pieces of information over several different documents. So I don't think the information was as clear as it could've been and I've considered whether this would've made a difference to her decision to take out the policy. And I don't think it would have.

I say this because Miss C was eligible for the policy and she's told us she didn't have any health problems. So I don't think better information about the policy's limitations and exclusions such as those relating to pre-existing medical conditions would've mattered to her because they didn't affect her.

Miss C has told us that she would've got some sick pay from her employer and could've used her savings to meet her loan repayments. And I've taken this into account. But the policy would've paid out in addition to any sick pay Miss C got. So she could've used any sick pay she did get for other everyday expenses. The policy would've also provided accident and sickness benefit for as long as Miss C couldn't work. And it had a number of other benefits to offer in the event of unemployment or critical illness. Taking out the policy also meant her savings could remain intact. So overall, I think the policy offered Miss C useful benefits.

The cost of the policy was set out in the paperwork Miss C signed. So I think she knew how much the policy was going to cost her before she agreed to buy it. And I've not seen any evidence that this was unaffordable for her.

I acknowledge Miss C's comments that she was '*young and naïve*' at the time of the sale. However, in my view taking insurance to cover this liability in her circumstances seems to me a reasonable course of action. In her situation, there's no reason why she wouldn't have come to the conclusion that covering her loan repayments was something that had value to her, even if she'd been able to look at it from a more experienced point of view.

In summary, based on what Miss C has told us about her circumstances, I don't think that she would've made a different decision (and decided against taking it out) if any of the features had been better explained. This means she isn't worse off as a result of what Stonenacre did wrong, so there's nothing it needs to do to put things right.

I am aware that Stoneacre have previously offered Miss C a payment as a gesture of goodwill. If Miss C now wants to accept the offer, she should contact Stoneacre directly to see if it's still available.

my final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 11 April 2016.

Sharon Kerrison
ombudsman