

complaint

This complaint is about a four payment protection insurance (PPI) policies taken out in 1997, 1998, 1999 and 2000. All the policies were taken out alongside loans. Mr W says Nationwide Building Society mis-sold him the PPI.

background

The background and circumstances leading up to this complaint, which includes Mr W's circumstances at the time of each sale as well as the PPI policies benefits, limitations and exclusions of cover, aren't disputed. So I haven't repeated all of this information here.

Our adjudicator did not uphold the complaint.

Mr W's representative disagreed with the adjudicator's opinion – they didn't raise any new or additional points but repeated the same complaint points and arguments they'd previously made.

As the complaint couldn't be resolved informally, it has been passed to me for a final decision.

my findings

Although I have only included a summary of the complaint, I have read and considered all the evidence and arguments available to me from the outset, in order to decide what is, in my opinion, fair and reasonable in all the circumstances of this complaint.

When considering what is fair and reasonable, I am required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

We've set out our general approach to PPI mis-sale complaints on our website and published some example final decisions that set out in detail how these relevant considerations may apply to PPI sales like Mr W's. I haven't set out that detailed information here but I've taken into account all relevant considerations in deciding Mr W's complaint.

Having done so, I've decided not to uphold this complaint and I've summarised my reasons for this conclusion below:

- I think Nationwide made it clear that Mr W didn't have to take out the PPI and he chose to take it out for each sale. I'll explain why.

The 1997, 1998 and 2000 sales all took place by post. Nationwide has only been able to provide the application form from 1997. This form has a separate section called '*Protecting Your Repayments*' and Mr W was given the option to tick 'Yes' or 'No' to the cover. On his form the 'Yes' box has been selected, indicating that he wanted the cover. There was also an option to decline this cover. So, taking everything into account, I think it's more likely that Mr W knew the policy was optional and he agreed to take it out.

Nationwide hasn't been able to provide the application forms for the 1998 and 2000 sales which he also took out by postal application. It has however, provided the loan agreements which all have a separate section for '*Optional Credit Insurance*'. Mr W has

signed all of these agreements. Nationwide has also provided a sample application for the 1998 sale which has a section about PPI. Looking at all this evidence, I think its most likely Mr W knew the policies were optional and he agreed to take them out.

The 1999 sale took place during a phone call. Nationwide no longer has a recording of the call – I don't think that's unreasonable given how long ago the policy was sold. But it does mean I have limited information available, so I have to decide what I think is more likely based on the available evidence and wider circumstances. Nationwide has provided a copy of the paperwork Mr W completed following this phone call. Within this I can see there is a separate section detailing '*Optional Credit Insurance*'. I think it's likely this agreement would've reflected the discussions Mr W had with the Nationwide representative and if Mr W wasn't sure about anything within the agreement he would've had an opportunity to raise questions before signing it.

Taking everything into account, I think it's more likely that Mr W knew the policies were optional and he agreed to take them out without undue pressure.

- Nationwide didn't recommend the any of the PPI policies to Mr W - so it didn't have to check that the PPI was right or suitable for him. But it did have to give Mr W enough clear and timely information so he could decide for himself if it was right for him.
- It's possible the information Nationwide gave Mr W about the PPI on each occasion wasn't as clear as it should've been. But I've found that they chose to take it out - so it looks like they wanted this type of cover. The cover wasn't fundamentally wrong for Mr W. Although Mr W says he had a medical condition when each of the PPI policies were taken out I don't think better information about the existing medical condition exclusions in each policy would've caused him to change his mind about taking out the policy.

I say this because Mr W hasn't told us of any on-going issues this health condition caused him. It seems it was dealt with at the time and based on what Mr W has said it hasn't resulted in him taking extended periods of time off work. There were also no additional restrictions on cover for mental health or back problems in any of the policies. It also looks like they were affordable – so it seems like they would have been useful for him if something went wrong. Because of this I don't think Mr W would have declined the cover had Nationwide done anything more.

Overall, I consider that Mr W would have still taken out each PPI policy. They were all sufficiently close to what it's likely he thought he was getting and I think the policies could provide a useful benefit in a difficult time, given Mr W's circumstances at the time. And in those circumstances, I think that he would have taken out the policies in any event.

Mr W's representative has raised a number of what I consider to be general complaint points, which it says apply to all PPI complaints. These general points include: a claim that the Financial Ombudsman Service is not correctly applying the regulator's rules and guidance for handling PPI complaints; these policies represented poor value because of the number of significant exclusions and limitations of cover coupled with the low claims ratio; and the duty of utmost good faith meant Nationwide should have disclosed the poor value and explained the significance of the limitations and exclusions and the impact it had on the chances of making a claim.

But Mr W's representative has not said how these points apply to the specific facts and circumstances of Mr W's individual complaint – just that they apply to all PPI complaints.

I have thought about these things and how they might apply in Mr W's particular case. But these points don't persuade me to alter my conclusions about what is fair and reasonable in all the circumstances of the complaint – for the reasons I've set out above I don't uphold this complaint.

This means Nationwide doesn't have to do anything to put things right.

my decision

Overall, having considered all the evidence and arguments to decide what is, in my opinion, fair and reasonable in all the circumstances of this complaint and for the reasons I have set out above, I don't uphold Mr W's complaint – so I make no award.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr W to accept or reject my decision before 21 August 2021.

Chandni Green
ombudsman