

complaint

Mr and Mrs P complain that The Co-op Bank Plc ("The Co-op") mis-sold them a mortgage payment protection insurance ("MPPI") policy in 2005.

background

Our adjudicator explained why she did not think that the policy had been mis-sold to Mr and Mrs P. They did not agree with this view. So it falls to me to make a decision on their complaint.

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 have set out our general approach to complaints about the sale of payment protection insurance on our website and I have taken that into account in deciding this case

Following my review of the file, I have decided that this complaint should not be upheld. I have explained my reasons below.

The Co-op has told us that it did not recommend the policy to Mr and Mrs P, it simply gave them information about it so that they could make up their own minds whether to buy the cover. From the information provided, I can see that although it was a joint mortgage, only Mr P was covered by the policy.

When our adjudicator told Mr and Mrs P that she did not think their complaint should be upheld they told us that they do not remember agreeing to buy the MPPI and that it wasn't explained to them. But as the sale took place 10 years ago, I am not surprised that they cannot remember every detail of the meeting.

I can see that Mr and Mrs P's mortgage application showed that they could choose to buy MPPI if they wanted to. The "*key facts about your mortgage*" document given to Mr and Mrs P also showed that they had chosen to buy the optional MPPI. And The Co-op has sent us a copy of the MPPI schedule that it says was sent to Mr and Mrs P after the sale. It shows that the cover was set out to be for Mr P only, and detailed the cost and amount covered.

So on balance, I think that Mr and Mrs P knew that they were buying the cover at the time they took their mortgage.

Next I have looked at whether Mr P – the person insured – was disadvantaged by any of the conditions or limitations of the policy. The information that I have seen makes me think that Mr P was eligible for the cover, was in good health and in permanent employment. So I think that he would have been able to make a successful claim on the policy if he had needed to. From the evidence I have seen, I have no reason to believe that Mr and Mrs P would have decided not to buy the policy if they had been given more, or better, information about it.

Mr P has told us that he was suffering symptoms of what later turned out to be a medical condition at the time that he took the policy. But as he had not yet had a confirmed diagnosis of his condition, I am satisfied that the policy was not mis-sold to him on that basis.

I do not know how the cost of the policy was presented to Mr and Mrs P at the time of the sale. But I understand that it cost around £20 per month. This would have paid out around £388 per month for 12 months during a claim.

Mr and Mrs P have not told us that Mr P had many employer benefits or savings at the time. So I can believe that Mr and Mrs P chose to take the insurance for the valuable protection and reassurance that it would have given them. As I believe that they made an active choice to buy the cover for Mr P, I think that they were content with the costs and cover level of the policy at the time they bought it.

It is, of course, possible that The Co-op did not give Mr and Mrs P all the information that it should have about the policy that they bought. But I have seen nothing that makes me think that they would have decided not to buy the policy if they had been given more, or better, information about it.

I realise that this will be a disappointment to Mr and Mrs P, but I do not think that the policy was mis-sold to them. It follows that I do not uphold their complaint.

my final 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 and Mrs P to accept or reject my decision before 8 April 2016.

Roxy Boyce
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