

complaint

Mr and Mrs P complain that Bank of Scotland Plc (trading at the time of sale as Halifax) mis-sold them a mortgage payment protection insurance ("MPPI") policy.

background

Mr and Mrs P bought a regular premium MPPI policy in 1997 to protect their mortgage repayments against accidents, sickness or unemployment. The policy covered Mr P only. Mr and Mrs P purchased the policy during a meeting with an advisor from Halifax in one of its branches.

Mr and Mrs P through their representatives say Halifax did not make them aware the MPPI policy was optional. They think Halifax mis-sold the policy to them.

Our adjudicator didn't uphold Mr and Mrs P's complaint. As the complainants don't agree with the adjudicator's opinion, the complaint has been passed to me.

my 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 Mr and Mrs P's case.

I've looked at all of the information provided by both parties and decided not to uphold Mr and Mrs P's complaint because of the following reasons:

- Halifax has been unable to provide much of the sales documentation that was used at the time of sale. There is little information available and so I can't be sure how the policy was presented by an advisor from Halifax to Mr and Mrs P during the meeting and I've not been able to see most of the original sales documentation (such as the loan agreement or application form). So it's been difficult for me to consider whether Mr and Mrs P were given a choice or not as to whether they should have the MPPI policy (or whether it was just automatically added without their knowledge or put across by the advisor as compulsory).
- I've looked at what Mr and Mrs P have said about how the policy was sold. But I'm not aware of any known issues with the way Halifax sold these policies around this time. And in the absence of relevant documentation or further information to support what Mr and Mrs P has said, I cannot fairly conclude on this occasion that the policy was sold as they suggests it was. I just haven't seen enough to make that conclusion.
- Moving on, Halifax has said it recommended the MPPI to Mr and Mrs P during the meeting and so I will proceed that this was the case. So as it did recommend the policy to Mr and Mrs P, it had additional responsibilities during the sale to make sure the policy was suitable for Mr P needs (as the sole policy holder).
- After reviewing the very limited information, it doesn't look as if the MPPI policy was unsuitable for Mr P based on what I've seen of his circumstances at the time. The

policy would also have paid in addition to Mr P's benefits and so would have been of use to him during a difficult time as he could have used his provisions to pay for other expenses (although I can't be sure how much Mr P would have received in sickness benefit from his employer). I think, on balance, Mr P had a need for this cover for any extended period of unemployment or sickness. I also couldn't find any other reason such as a significant or limiting term that would make the policy unsuitable for him.

- Halifax has provided some information about the costs relating to the MPPI policy that Mr and Mrs P took out but even though it has provided screenshots detailing the cover and how much it cost, I cannot be sure that these costs were disclosed to Mr and Mrs P in a clear and fair way at the time of sale. That said, even if they were disclosed clearly I don't think Mr P (as the sole policy holder) would have done anything different and decided against having the policy for the reasons that I have already given for the policy being suitable.
- Its possible Halifax didn't point out the main things the policy didn't cover. But its unlikely Mr P would've been affected by any of these.

I understand this will come as a disappointment but in conclusion I do not uphold Mr and Mrs P's complaint.

my final decision

For the reasons set out above, I don't uphold Mr and Mrs P's 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 19 February 2016.

Mark Richardson
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