

complaint

Mr L complained that MBNA Limited (MBNA) mis-sold him a payment protection insurance (PPI) policy.

background

Mr L took out a credit card with MBNA in 2003. At the same time he was sold a PPI policy providing cover for accident, sickness and unemployment.

I issued my provisional decision in January 2016, explaining that I didn't think I should uphold Mr L's complaint. In summary this was because:

- I thought it was most likely that Mr L was aware the PPI was optional and that he chose to take it out;
- MBNA didn't recommend the policy to Mr L so it didn't have to check if it was suitable for him. Given what I could see of Mr L's circumstances at the time, I thought he could've found the policy helpful;
- I thought MBNA could've done more to clearly explain the cost of the policy. But I didn't think this would've changed Mr L's decision to take out the insurance; and
- Although MBNA may not have pointed out the main things the policy didn't cover, I thought it was unlikely Mr L would've been affected by any of these. So I didn't think better information would've changed Mr L's decision to buy the policy.

MBNA didn't respond to my provisional decision.

Mr L's estate responded to say Mr L was self-employed at the time of sale so would've been caught by the policy exclusions. It has also said that the policy was added to Mr L's card without his knowledge, the terms and conditions weren't explained and he wouldn't have taken out a policy that only offered a 3% benefit.

my findings

I've reconsidered 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 Mr L's case.

Having done so, and taking into account the comments from Mr L's estate, I've reached the same conclusions as set out in my provisional decision.

Mr L's estate has said that the PPI was added to his card account without his knowledge. But the information I have suggests Mr L would've been asked to select either 'yes' or 'no' when deciding if he wanted PPI on his account. The computer records MBNA holds from Mr L's application indicate that he selected 'yes' for PPI to be added. So I think it's more likely that Mr L did know PPI had been added to his account and that he was aware he had a choice.

I said in my provisional decision that I thought MBNA could've done more to bring the key terms and conditions to Mr L's attention. But having looked at Mr L's circumstances at the time I didn't think more information would've stopped Mr L from buying the policy.

Mr L's estate has disagreed with this point. It's believes Mr L was self-employed at the time of sale so would've been caught by the policy exclusions. I said in my provisional decision that we couldn't know Mr L's employment status in 2003 for certain. But the application form listed Mr L as being employed and gave the name of his employer. Mr L's estate also told us that Mr L was employed for some of 2003 and that it did remember Mr L working for the same employer as listed on his application form. With this in mind I provisionally found that Mr L was most likely employed at the time of sale.

I have taken the estate's comments on board but even if I was to find that Mr L was self-employed at the time of sale this wouldn't make a difference to the outcome of this decision. I say this because having looked at the conditions that applied to self-employed consumers at the time, they didn't require Mr L to do anything differently than an employed consumer when claiming for unemployment. So whether Mr L was employed or self-employed at the time of sale I don't think being given more information about the terms and conditions of the policy would've stopped him from taking it out.

Mr L's estate has said that he wouldn't have taken out a policy that had a benefit limited to 3%. But at the time of sale Mr L didn't have any savings and wasn't entitled to any employee benefits in the event that he was unable to work through injury or illness. So while the benefit was limited to 3% on this policy, it would've helped Mr L in meeting his credit card repayments should he be unable to work. So I think it still offered Mr L a helpful benefit.

I've carefully reconsidered all of the information I've been provided with for Mr L's case. Having done so I still think he would've bought the PPI policy if he'd been given full information about it.

my final decision

For the reasons set out above, I don't uphold this complaint about MBNA Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L's estate to accept or reject my decision before 7 April 2016.

Lucy Wilson
ombudsman