

complaint

Mrs R complains that Bank of Scotland plc trading as Halifax ("Halifax") mis-sold her a payment protection insurance ("PPI") policy in 1995.

background

Our adjudicator didn't uphold this case. Mrs R disagreed with this view and asked for the case to be referred to an ombudsman for a final decision.

Mrs R says she was given unclear and misleading information when she was sold the PPI.

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 explained our approach to complaints about payment protection insurance on our website, and I've used this approach in this case.

I have decided not to uphold this complaint. I'll explain why.

I've very carefully read what we've been sent by both parties. And I've also used my knowledge and experience of these types of sales to help make a decision. As this sale happened many years ago, there are limited documents available from the time of the sale. This is not surprising and not unusual. But given the age and disputed nature of the sale my decision is on the balance of probabilities - what is *most likely* to have happened.

Halifax has told us it advised Mrs R to take the PPI policy, so it had to make sure that the policy was suitable for her circumstances, as well as giving Mrs R enough information so she could decide for herself whether she wanted to take it out.

I can't say the policy was unsuitable. I say this because:

- Given that this happened so many years ago, I have taken into account that memories can fade over time. Whilst I don't doubt that Mrs R has given me her best recollection from the time, from what I know about these type of sales and from what the parties have told me, I can't say this PPI was added to the mortgage without Mrs R's knowledge. As this was a recommended sale I think it's likely that Mrs R had a discussion with the Halifax representative and took out the PPI knowing she could decline it if she didn't want it.
- Mrs R was eligible for the PPI and having looked at the terms of the PPI, this policy would've allowed her to make a successful claim if she'd needed to.
- There were other things the policy didn't cover. But I've seen no reason to believe that Mrs R would've been affected by any of these.
- I've then looked at the cost of the policy. The cost of the PPI was around £12 a month and would have provided the monthly repayment amount of around £200 for up to 24 months per successful claim for accident and sickness and up to 12 months for unemployment. I can't see anything which makes me think the cost of the policy was unaffordable for her. And as her home was at risk if she didn't keep up with the

repayments I think the PPI may have given Mrs R peace of mind that her mortgage would be paid if she'd been unable to work.

- Mrs R has told us that she would have received more than six months but less than 12 months sick pay from her employer if she had to take time off work. And she says she had savings of 12 months or more. So she says that she clearly didn't need the cover as her benefit from her employer would've lasted the same amount of time as the policy benefits. I still think at the time of the sale she might have thought the policy useful. This policy would have paid out in addition to and for longer than any employer benefits she would have received and it would have covered her if she lost her job. Although Mrs R has told us she had savings she might have needed these for day to day living expenses and the PPI would have saved her from relying on her savings. Given that his mortgage was secured on her home I think she might have valued the reassurance the PPI would have given her.

Over 20 years have passed since the sale and clearly I can't say if all the information about the policy was presented to Mrs R. But even if Halifax could have given clearer or better information, I don't think this would have made any difference. For the same reasons as I don't think the policy was unsuitable for her, I still think Mrs R would have taken out the policy even if she had been given better or clearer information.

Taking all the circumstances into account, although I realise my decision will come as a disappointment to Mrs R, I don't think this policy was mis-sold.

my final decision

For the reasons I have set out above, I don't uphold this complaint. Bank of Scotland plc doesn't have to pay any compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 8 August 2016.

Nicola Woolf
ombudsman