

## **complaint**

Mr and Mrs A say Bank of Scotland plc (trading as Halifax) mis-sold them a mortgage payment protection insurance (MPPI) policy.

## **background**

Mr and Mrs A took out an MPPI policy with a further advance on their mortgage in 2005. They paid a monthly amount for the policy.

Our adjudicator didn't uphold the complaint. Mr and Mrs A disagreed with the adjudicator's opinion, so the complaint has been passed to me. I sent Mr and Mrs A and Halifax a provisional decision on 20 December 2016 to explain why I didn't think their complaint should be upheld. And I said I'd consider anything else anyone wanted to give me – as long as I received it by 20 January 2017. But neither party has sent me anything else to consider, so I still think Mr and Mrs A's complaint shouldn't be upheld. I've explained my reasoning again below.

## **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 set out our general approach to complaints about the sale of MPPI on our website and I've taken this into account in deciding Mr and Mrs A's case. Having done so, I've decided not to uphold their complaint. I'll explain why.

Mr and Mrs A say they weren't aware they had MPPI. Because of the time that's passed, there's not a lot of documentation from when they took out MPPI. Based on what we know of Halifax's sales practices, I think it's likely Halifax would've presented the MPPI to them in a way that would've made it clear they had a choice about buying the MPPI. Halifax has also sent us a copy of a letter it sent to Mr and Mrs A which confirmed it'd discussed MPPI and set it up for them. So I think it's likely Mr and Mrs A were aware they had MPPI and that they chose to take it.

Halifax recommended the MPPI to Mr and Mrs A, and it seems to have been right for them based on what I've seen of their circumstances at the time. When Mr and Mrs A brought their complaint to us, they told us they had some savings. In response to the adjudicator's view, Mr and Mrs A then told us they had £20,000 of savings. Some of these were in ISAs that were easily accessible and some were in a personal investment plan they would've had to dissolve to release the funds. This gives me a new point to consider.

I accept it's possible they might've had those savings, although I haven't seen evidence to confirm that was the case. And I note that Mr and Mrs A were borrowing around £28,000 so it's also possible that their savings were earmarked for another purpose and their savings wouldn't have covered their further borrowing. In either event, I still think this MPPI policy would've been useful for them. The policy would've paid a monthly benefit if Mr or Mrs A were unable to work, and would've allowed them to protect their savings, which they might've needed for other essential expenses.

I accept Mrs A would've received benefits from her employer- but after six months, these dropped considerably. And the policy would've paid their monthly benefit for up to

12 months. This is for longer and in addition to any benefits that either Mr or Mrs A would've received from their employers. So I still think this policy could've been useful to them.

I'm not sure how the cost of the policy was presented to Mr and Mrs A at the point of sale. The cost was set out in Halifax's letter sent after their meeting. Mr and Miss A took out MPPI to cover a mortgage secured on their home, which is a significant financial commitment. So even if they had been made aware of the monthly cost, I don't think this would've made them decline MPPI.

It's possible Halifax didn't point out the main things the policy didn't cover. But Mr and Mrs A don't appear to have been affected by any of those things- they were both employed and in good health at the time.

I've taken into account Mr and Mrs A's comments, but these points don't change my conclusion for the reasons I've explained above.

### **my final decision**

For the reasons explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs A to accept or reject my decision before 24 February 2017.

Vicki Blackwood  
**ombudsman**