

## **complaint**

Mr and Mrs G say Cheltenham & Gloucester plc (C&G) mis-sold them a payment protection insurance (PPI) policy.

## **background**

In 2009 Mr and Mrs G bought a PPI policy at the same time as they applied for a mortgage on the phone. It gave them protection against accident, sickness and unemployment and they paid a monthly amount for it.

Our adjudicator didn't uphold the complaint. Mr and Mrs G disagreed, saying they had adequate cover and didn't need to be pressured into taking out insurance. So the complaint was passed to me.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Our general approach to complaints about PPI is on our website and I've followed it here.

I've decided not to uphold Mr and Mrs G's complaint. I'll explain why.

C&G had to make it clear the PPI was optional and Mr and Mrs G had to agree to take it out. On their mortgage offer it described PPI as an optional insurance and set out the cost separately. It said it only Buildings Insurance was a condition of the mortgage. Also, Mr and Mrs G both signed a separate application form for PPI and completed a separate direct debit mandate. I've thought carefully about Mr and Mrs G's comment that they felt pressured to take it out but I can't find enough other evidence to support this.

Overall, I think C&G made it clear the PPI was optional and Mr and Mrs G chose to take it out.

C&G recommended the policy to Mr and Mrs G so it had to check it was suitable for them. I've looked carefully at their circumstances at the time and I don't think it was unsuitable. I say this because:

- Mr and Mrs G met the policy requirements, so they were eligible for the cover.
- Mr and Mrs G were both entitled to sick pay worth six months' full salary and six months' half salary but the PPI would've paid out in addition to their work benefits. The evidence is contradictory as to whether they had savings at the time. The bank's records show Mr and Mrs G said they had no savings as they were ploughing all their money into the house. They told us they had savings worth between six and 12 months' salary; I asked for more detail but received no reply. So based on what I know, I think the PPI would still have been useful. I say this as it seems some of their savings held were being used for their new home. And it would've allowed them to use any remaining savings to cover other living expenses whilst not working. Also the PPI would've paid the monthly mortgage costs for up to 12 months for *each* successful claim. So I think the PPI gave them valuable long term protection.

- The benefit was split 45%:55% between Mr and Mrs G and I think this was right. It was in line with their contribution to household income at the time.
- It seems there wasn't anything in the PPI that would make it difficult for Mr or Mrs G to claim. For example, they were in permanent employment and good health when the PPI was sold. So they wouldn't have been affected by restrictions in the policy about type of employment or known health issues.
- I've seen nothing to suggest the policy wasn't affordable.

Overall, I think the PPI was suitable for Mr and Mrs G.

C&G also had to give Mr and Mrs G information that was clear, fair and not misleading so that they could make an informed choice about the policy. It's possible they didn't have everything they needed. But for much the same reasons that I found the policy was suitable, I don't think Mr and Mrs G would've decided not to take out this policy if better information had been provided. They were eligible, it seems the PPI was affordable, it was competitively priced and they weren't affected by any of the major exclusions or limitations. So I don't think better information would've changed their decision.

It follows I don't think Mr and Mrs G have lost out because of any problems with the sale.

### **my final decision**

My decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs G to accept or reject my decision before 22 January 2018.

Rebecca Connelley  
**ombudsman**