

complaint

Mr and Mrs S say HSBC Bank Plc mis-sold them a payment protection insurance (PPI) policy.

background

In January 1997 Mr and Mrs S bought a PPI policy to protect their mortgage repayments. Neither party can confirm where the sale took place. The PPI was in Mr S's sole name and gave him protection against accident, sickness and unemployment. They paid a monthly amount for it. In September 1997 Mr S increased his level of cover and the monthly cost increased accordingly.

Our adjudicator didn't uphold the complaint. Mr and Mrs S disagreed 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. Where the evidence is incomplete (as some of it is here), I've based my decision on the balance of probabilities – in other words, on what I consider is most likely given the available evidence and what we know about how HSBC sold PPI at the time.

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 S's complaint. I'll explain why.

HSBC can't provide Mr S's documents from the time of the sale, or any paperwork to show how the PPI would've been presented to him. But that's not surprising as the sale was over 20 years ago.

As there are no documents or notes from the sale, I can't be sure how HSBC described the policy and whether it made it clear to Mr and Mrs S they had a choice. Mr and Mrs S have said they never knew they had PPI – they were given no information on it. But I have to take into account how long ago the sale was and how this might affect what they recall. Overall, without stronger evidence to show HSBC didn't make them aware the PPI was optional, and they didn't agree to take it out for Mr S, I can't fairly uphold the complaint on this point.

It seems HSBC didn't recommend the PPI for Mr S to Mr and Mrs S so it didn't have to check if it was right for him. It did however have to give Mr and Mrs S all the information they needed to make an informed decision. And it's possible HSBC didn't do this. But I don't think better information about the policy would've changed their mind about buying it for Mr S. I say this because:

- He was eligible for the policy and doesn't appear to have been affected by any of the main exclusions or limitations.
- I don't know when the cost was made clear to Mr and Mrs S but the PPI was competitively priced and apparently affordable.

- Mr S told us he was entitled to at least 12 months' sick pay. From what we know about the typical benefits for his job, I think it's most likely this was six months' full pay and six months' half pay. The PPI would've paid out in addition to his work benefits and for up to 12 months. It would've also paid out for *each* successful claim. Mr S also had less than three months worth of salary in savings. The PPI would've allowed him to use this to cover other living expenses whilst not working. And it gave him up to 12 months' redundancy cover. Overall, I think the PPI gave them valuable long term protection. And given Mr and Mrs S's overall circumstances, I think it would've been useful if Mr S was sick or lost his job.

It follows I can't find enough evidence to conclude that Mr and Mrs S have lost out because of any problems with this 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 S to accept or reject my decision before 12 February 2018.

Rebecca Connelley
ombudsman