

complaint

Mr and Mrs T complain that Bank of Scotland plc, trading as Halifax ("Halifax") mis-sold them a mortgage payment protection insurance ("PPI") policy.

background

In 2005 Mr and Mrs T re-mortgaged their house. At the same time, they took out a PPI policy.

Our adjudicator looked at this complaint and didn't uphold it. Mr and Mrs T, through their representative, didn't agree, so the case has been passed to me for a final decision to be made.

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 PPI on our website and I've taken this into account in deciding this case.

I'm not going to uphold this complaint. I'll explain why.

Mr and Mrs T say that they were totally unaware of any PPI on their account. But looking at the documents that Halifax have provided from the time of the sale, on the "key facts" document, I can see that PPI is listed (described as "mortgage repayment cover") under the heading "optional insurance." And it was set out clearly enough for Mr and Mrs T to be able to see that they would be paying for it on top of their mortgage. From this evidence, and what we know about Halifax's sales processes at the time, I don't think it's likely that PPI was added without Mr and Mrs T knowing about it.

Halifax accepts it advised Mr and Mrs T to take PPI. So they had to make sure that the policy was suitable for their needs, as well as providing them with enough information so they could make an informed choice whether to take PPI.

I think Halifax could've made it clearer to Mr and Mrs T what the costs and benefits of the PPI were. But I think they'd still have decided to take PPI, and it was a suitable policy for them. I say this for the following reasons:

There were rules on who could take the policy, and Mr and Mrs T met those rules.

There were some things the policy didn't cover, but I've not seen any evidence Mr and Mrs T would've been affected by any of those.

Halifax could've set out the costs better. But the costs were around the same as many other policies on the market at the time. And whilst I've taken into account that both Mr and Mrs T had good sick pay, the PPI would've paid out on top of that, and for up to 12 months. It also provided redundancy cover, if either Mr or Mrs T were out of work.

I can see that Halifax split the benefit of the policy between Mr and Mrs T. And the split seems appropriate given their incomes, as Mr T earned more, and had the majority of the cover.

So taking all of the evidence together and considering it with care, although the sales process could've been clearer, I can't say that Halifax mis-sold this policy to Mr and Mrs T. So there's nothing it needs to do to put things right.

my final decision

I don't uphold this complaint and I make no award against Bank of Scotland plc.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs T to accept or reject my decision before 27 April 2015.

Nigel Hamilton
ombudsman