

complaint

This complaint is about a payment protection insurance (PPI) policy taken out in February 2002 in connection with a credit card. Mr B says Canada Square Operations plc ("Egg") mis-sold the policy because he did not request the policy and had no need of the policy.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

The questions I need to consider in a case like this are:

- whether Egg gave Mr B information that was clear, fair and not misleading in order to put him in a position where he could make an informed choice about the insurance he was buying;
- whether, in giving any advice or recommendation, Egg took adequate steps to ensure that the product it recommended was suitable for his needs.

If there were shortcomings in the way in which Egg sold the policy, I then need to consider whether Mr B is worse off as a result; that is, would he have done something different - ie not taken out the policy - if there had been no shortcomings.

Egg told us that Mr B applied for his credit card via the internet, with Mr B completing a web-form indicating that he wished to purchase the PPI policy. There is no evidence of a conversation between Mr B and Egg either prior to, or during the application process. I am therefore satisfied that this sale took place on a non-advised basis, which means that Egg did not need to ensure the policy was suitable for Mr B's needs and circumstances. That was essentially a decision that Mr B needed to make for himself.

I have therefore gone on to consider whether Egg provided sufficient information to Mr B so that he could make an informed choice, and if not, whether this is likely to have affected his decision to take out the policy.

Mr B says that he did not request the policy. Egg has sent this service a copy of the credit agreement together with copies of the internet screenshots in use in 2002 that it says are representative of the screens that Mr B would have seen when he applied for his credit card online. The form contains a separate section that deals with the payment protection. This section was headed '**About Payment Protection**' and contained the following statement;

'At Egg we want you to be secure in the knowledge that should you have an accident, become sick or unemployed, you will not need to worry about your card repayments.

Egg Card Repayment Protection covers you for all this for only 69p in every £100 of your outstanding balance each month.

For details of cover and a full set of policy conditions, please see below'.

Egg says Mr B would have been presented with hyperlinks to the policy summary and policy document information as part of his internet application.

Mr B would then have been presented with two options, both of which I note were presented equally prominently:

- ☐ *Yes, I would like to protect my repayments against accident, sickness and unemployment. (I understand that by clicking on this box I confirm that I have read and agree to the terms of the Egg Card Repayment Protection.)*
- ☐ *No, I do not wish to protect my repayment and I understand that it will be my responsibility to keep up my repayments if I fall ill or lose my job.'*

I cannot be certain that it was not possible for Mr B to have agreed to take out the policy and proceed with his card application without clicking on this hyperlink and reading this information, however, on balance, this evidence leads me to conclude that it is more likely than not that Mr B was aware that PPI was optional at the time.

Mr B has told us that he would have received six months full pay followed by a period of half pay from his employer in the event of accident or sickness. However, this policy paid out a benefit of 10% of his monthly outstanding balance for 12 months in the event of accident, sickness or unemployment, and would have paid out in addition to any occupational benefits. In the unfortunate event of Mr B's death it would have paid off his credit card balance in full.

So although it is possible that the costs and benefits of this policy were not made clear, I am not persuaded that Mr B would have acted any differently had that information been made clearer. And I note that the cost of the policy would have appeared on his monthly credit card statements after taking out the policy, yet he does not appear to have queried or objected to the level of these charges.

In conclusion, I am satisfied that Egg made Mr B aware that PPI was optional and I do not consider that it gave him advice. Whilst I accept it is possible there were shortcomings in the way the policy was sold, I am not persuaded Mr B has been disadvantaged as a result because in my view, he could have benefited from the cover it provided. And I am not persuaded that Mr B would have acted differently and declined the policy had he been better informed.

It follows that I am not persuaded this policy was mis-sold.

my decision

For the reasons given above, my final decision is that I do not uphold this complaint and make no award against Canada Square Operations plc.

Andrew Macnamara
ombudsman