

## **The complaint**

Mrs H has complained that AXA France IARD mis-sold her a store card payment protection insurance (PPI) policy in 1998.

AXA France IARD, the PPI insurer, has taken responsibility for the sale of such policies. To keep things simple, I'll therefore just be referring to AXA in this decision.

## **What happened**

Mrs H was sold the PPI at the same time as applying for the store card in a shop.

Our investigator didn't uphold the complaint. Mrs H disagrees with the investigator's opinion and so the complaint has been passed to me for a decision.

## **What I've decided – and why**

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.

Where the evidence is incomplete, inconclusive or contradictory, I reach my decision on a balance of probabilities – that is, what is considered most likely to have happened given the evidence that is available to me, and the wider surrounding circumstances.

I've decided not to uphold the complaint and I'll explain why.

Mrs H says she didn't know that PPI had been added to the account, meaning it was added without her knowledge or consent.

I've seen a copy of the application form that was completed at the time. There is a separate section on the form for PPI. A box has been ticked to apply for the policy and Mrs H has also signed in that section.

There's an 'x' to the side of the PPI wording, in addition to other areas of the form. Mrs H says she was just asked to complete the parts that the sales assistant had marked. She says that the box was ticked after she had completed the form as instructed.

I've thought very carefully about this point. However, on balance, I'm not persuaded it is sufficient to prove that Mrs H wasn't given a choice about signing for the policy. It is not uncommon for sales advisers to highlight areas on a form requiring completion. This, in my view, doesn't mean that a discussion about PPI hadn't taken place or the optional nature of the product not made clear.

Mrs H says she was made redundant twice and the fact that she didn't claim on the policy at those times demonstrates that she didn't know she had it. Overall, I don't think this is

sufficient to conclude that the policy was added without her knowledge as there can be other reasons why someone didn't make a claim. As might be expected, the policy provided cover for involuntary unemployment. From what Mrs H has said, it appears she was re-deployed by her employer at the time of the first redundancy, rather than being made unemployed. And the second time, she took voluntary redundancy rather than re-locate with her job, which is not involuntary unemployment.

I understand that Mrs H feels very strongly that there was no mention of PPI at all before she filled out the form. I have no doubt that she has provided her genuine recollection of events. But the sale was a long time ago and so it wouldn't be surprising if her memory has faded somewhat.

Beneath the PPI wording there is another section of the form about buying another form of insurance. The box for this hasn't been ticked and so Mrs H wasn't sold this additional insurance. Had the sales assistant acted in the way Mrs H suggests, I might have expected this other product to also be attached to the store card account.

From what we know of the sales process at the time, the PPI was usually presented as optional, and I haven't seen anything to persuade me that something different happened in this case.

Based on the available evidence, I consider it more likely than not that Mrs H decided to buy the PPI, knowing that she didn't have to, even if she no longer remembers doing so.

Mrs H says she wasn't asked about her employment or financial status at the time to establish if the policy was suitable for her. In fact, she wasn't even asked to complete the parts of the form relating to her job.

This was what is called a 'non-advised' sale, or 'information only' sale. This means that, as the sales assistant wasn't making a personal recommendation that Mrs H should buy the policy, they didn't need to check that the policy was suitable for her. So that's why she wasn't asked any questions of that nature.

But AXA did need to provide sufficient information for Mrs H to make an informed decision about whether or not the policy was right for her.

I've said already that I think Mrs H probably decided to take out the policy. So, I consider it reasonable to conclude she had some interest in the benefits offered by this type of insurance. I think she would have known something about it – that it would have covered her monthly card repayments if she was unable to work due to accident, sickness or unemployment – because I doubt she'd have decided to take it out without knowing anything at all about it.

And I think Mrs H would have known that there was a cost for the policy, because I doubt she'd have thought it would be free.

It's possible that AXA didn't provide as much information about the PPI as it should have. But the question is whether Mrs H has lost out as a result, or whether she would have bought the policy anyway.

The policy contained some exclusions, for example it did not cover pre-existing medical conditions. But Mrs H did not have any pre-existing health problems.

Mrs H would have received some sick pay from her job. But the policy would have paid out in addition to any sick pay and potentially for longer than she would have received full pay

for. Mrs H has also said that she had some savings. But having the policy would have allowed her to retain any savings or use them to cover other outgoings at what would have been a difficult time.

The evidence about Mrs H's situation at the time of the sale shows that the policy was not fundamentally wrong or unsuitable for her. And in those circumstances, I consider it more likely than not that she would have taken out the policy in any event.

As I think that she probably had an interest in the PPI and decided to buy it, I don't think that further information would have caused her to change her mind. So, she is no worse off as a result of anything AXA may have done wrong, so there's nothing that AXA needs to do to put things right.

In relation to unfair commission and profit share, that isn't something I can look at here as AXA is the insurer and not the lender, as has been previously explained. But I note that Mrs H has told us she has accepted a 'Plevin' offer from the lender.

I would like to explain though, in response to Mrs H's comment that she raised commission with the lender in 2014, that the commission that 'Plevin' relates to is the commission that the insurer (AXA) was paying to the lender for PPI policies. It is not about the type of commission or incentives that individual staff may have received, which is what Mrs H was querying back in 2014.

### **My final decision**

For the reasons set out above, my decision is that I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 18 December 2023.

Carole Clark

**Ombudsman**