

## **The complaint**

This complaint is about a payment protection insurance (PPI) policy taken out with a personal loan in 2004. Mr O says Santander UK Plc mis-sold him the PPI.

## **What happened**

Your text here

## **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 Mr O's case.

Having done so, I've decided to uphold the complaint because I don't think Santander gave Mr O clear enough information about the limitations and exclusions in the PPI policy.

The policy excluded claims resulting from any condition Mr O already had when the policy started. And I'm not satisfied that Mr O was made sufficiently aware of this term during the sale.

Santander has said that Mr O's condition and the exclusion would've been discussed with him during the sale. And it's said he would've been given documents which included the exclusion as well. But I haven't seen any further evidence that Mr O's condition or the exclusion were discussed with him. And, while the exclusion is in the policy document and the flyer about the loan, I don't think that it was prominent enough in either to make Mr O sufficiently aware of it. So I don't think the exclusion was made clear to Mr O.

I think this would've mattered to Mr O because he's told us that he was suffering from a medical condition at the time of the sale. He's told us he was diagnosed with the condition when he was very young and he's been consistent about it throughout his complaint. So I think it's likely he did have this condition at the sale of the policy.

Based on what Mr O has told us, I don't think he'd have taken the policy if it had been made clear to him that any time off work as a result of his existing condition wouldn't have been covered by it. So I think he's lost out as a result of Santander not making the exclusion clear to him.

## **Putting things right**

Santander should put Mr O in the position he'd be in now if he hadn't taken out PPI. The policy should be cancelled, if it hasn't been cancelled already, and Santander should:

- Pay Mr O the amount he paid each month for the PPI

- Add simple interest to each payment from when he paid it until he gets it back. The rate of interest is 8% a year†.
- If Mr O made a successful claim under the PPI policy, Santander can take off what he got for the claim from the amount it owes him.

† HM Revenue & Customs requires Santander to take off tax from this interest. Santander must give Mr O a certificate showing how much tax it's taken off if he asks for one.

### **My final decision**

For the reasons I've explained, I uphold Mr O's complaint.

Santander UK Plc should put things right by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 1 November 2019.

Alan Millward

**Ombudsman**