

Complaint

Mrs G says Barclays Bank UK PLC mis-sold her a Payment Protection Insurance (PPI) policy with an overdraft linked to her bank account.

The fact PPI was mis-sold is no longer disputed, but Mrs G found it necessary to complain to our Service because she says more redress is owed to her than has been offered. She says Barclays hasn't used the right dates to work out how much she is due.

Background

I see that one of our adjudicators provided both parties with a view about this complaint. The adjudicator said that they thought we should uphold the complaint because the redress had been calculated by Barclays on the basis that Mrs G's overdraft had been covered by PPI from 1998 until 2016. The adjudicator said, it should have been calculated from 10 years earlier i.e. from 1988 to 2016.

As the complaint couldn't be resolved informally, it has come to me for an ombudsman's final decision.

My findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances.

Having done this, I'm upholding the complaint.

This is a relatively straightforward issue. In calculating how much Mrs G should be paid back in redress Barclays said it could only see Mrs G had been paying for the PPI since February 1998 – this was the first statement still available for her bank account which had the overdraft facility. So Barclays says it's reasonable to use this date as a starting point for adding up how much redress she is due. It agreed to pay her £1,124.12 for all the PPI charges and interest.

However, when Barclays was asked by us to demonstrate the whole duration of Mrs G's bank account, these records showed that she had the account since 22 February 1988. I also note, however, this particular data set said she'd only had the account covered by PPI since August 1998, a date we know to be incorrect, because of the account statements I've mentioned above; these showed Mrs G been charged for PPI for at least six months before August 1998. A PPI charge was listed in her February 1998 bank statement.

I think it's therefore reasonable to point out that Barclays records in this regard can't be wholly relied upon. We also know she had her overdraft in place for some 10 years prior to when Barclays is now willing to compensate Mrs G for. Barclays says there's no evidence to suggest she had any PPI before February 1998.

However, I think Barclays is acting unfairly here because there is also no evidence that she *didn't* have any PPI on the account either. And I don't think Mrs G should be expected to come up with such evidence from over 30 years ago, when Barclays records have already shown to be wrong. I think in these circumstances, it's more reasonable to say she always had PPI with the overdraft facility.

It's unfortunate that February 1998 is the first bank statement we have access to. But given the other inaccuracy – which says Mrs G's account didn't have PPI until August 1998 – I'm going to find in her favour. In short, Barclays can't show me accurately when the PPI was added to her account and so the starting point should be from when she opened her bank account with the overdraft facility.

The PPI mis-sale should be calculated from 22 February 1988 to 3 March 2016, when it closed.

What Barclays should do now

- Barclays has already admitted it mis-sold the PPI policy to Mrs G. It initially agreed to pay her £1,124.12 in redress, but this now needs to be increased because the relevant starting date is from 22 February 1988.
- It also needs to add 8% interest in accordance with the approach we expect, until it finally pays the full amount due.
- Barclays should clearly explain to Mrs G how it has re-calculated this new amount.

Final decision

I uphold Mrs G's complaint.

I direct Barclays Bank UK PLC to promptly carry out the compensation payments as outlined above.

Under the rules of the Financial Ombudsman Service, I am required to ask Mrs G to accept or reject my decision before 15 March 2022.

Michael Campbell
Ombudsman