

The complaint

W has complained that Barclays Bank UK PLC did not fairly compensate her after she complained about mis-sold mortgage payment protection insurance (PPI).

What happened

W arranged the original mortgage in April 1992. She took out a further advance in September 2000 and then paid the mortgage off entirely in June 2002.

She enquired to Barclays about whether she had ever had a PPI policy. It responded to say that she'd had two policies:

- Policy 1 between April 1992 and September 1993
- Policy 2 between September 2000 and October 2000

At the time, W didn't notice that the dates weren't continuous. She subsequently made a complaint and Barclays upheld her complaint in relation to Policy 2. So, it refunded the two premiums that it said she had paid in 2000. However, Barclays didn't address the entirety of the complaint as it failed to consider whether Policy 1 had been mis-sold.

W then brought her complaint to this service, saying that she must be due redress for the total period of the mortgage.

Following liaison with our investigator, Barclays accepted that it hadn't looked at Policy 1. So, it has offered further mis-sale redress for that policy of £1,017.48.

Our investigator thought that Barclays' offer was a fair way to settle the complaint. W 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.

W is of the view that she should receive no less than £7,000 due to having had the PPI policy for just over ten years.

I appreciate W's strength of feeling that she would have had the policy for the entire period of the mortgage. However, whilst she has been able to provide evidence relating to the mortgage itself, and for a life insurance policy, she has only been able to provide one piece of documentation in relation to the PPI. That is an application form for the further advance, dated 12 September 2000, showing that she ticked a box to select PPI and then completed the direct debit instruction.

There's no contradiction between what W has been able to provide and what Barclays has said. Barclays' records show Policy 2 beginning in September 2000.

What W hasn't been able to provide is evidence that PPI was active for the entire period between 1992 and 2002. I understand that her recollection was that the policy did span this period. But, as our investigator has mentioned, it's possible that she is thinking about the life insurance policy. Because we know that she had that for the full duration of the mortgage.

Based on the available evidence, I am unable to conclude that W had an active PPI policy throughout her mortgage. I find it more likely than not that Barclays' records correctly reflect that, policies she took out with the original mortgage and further advance, were later cancelled on the dates indicated.

Barclays were clearly at fault by failing to consider Policy 1 as part of the original complaint. So I uphold W's complaint that the amount of redress paid to her so far is incorrect. However, I think that what Barclays is proposing to do now is fair, because it returns her to the position she should have been in if the policies had never been sold in the first place.

Barclays has based its recent offer on the information it holds, which is the start and end dates and the monthly premium amount. It has then added 8% simple interest and deducted tax. I'm satisfied that it is reasonable for Barclays to use the available data to calculate the offer in the way it has.

My final decision

My decision is that I consider Barclays Bank UK PLC's previous payment in relation to Policy 2, and its current offer in relation to Policy 1, to be fair and reasonable.

Barclays Bank UK PLC should now pay W its additional compensation offer.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 20 December 2023.

Carole Clark
Ombudsman