

## **complaint**

This complaint is about a credit card payment protection insurance (PPI) policy taken out in 2008. Mr W says National Westminster Bank Plc mis-sold him the PPI.

## **my findings**

I've considered all the available evidence and arguments to decide what is 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 W's case.

I've decided the policy wasn't mis-sold because:

- I think NatWest made it clear that Mr W didn't have to take out the PPI and that he chose to take it out. Mr W is focussed on this issue. But I'm not persuaded by his recollections of what happened as I don't consider them detailed or persuasive. And I think the paperwork from the time strongly supports he did know and he did choose to take it.
- NatWest didn't recommend the PPI to Mr W so it didn't have to check if it was right for him. But it did have to make sure Mr W got the information he needed to decide if it was right for him.
- It's possible the information NatWest gave Mr W about the PPI wasn't as clear as it should've been. He chose to take out the PPI - so it looks like he wanted this type of cover. Based on what I've seen of his circumstances at the time it doesn't look like he was affected by any of the exclusions to or limits on the PPI cover - so it would have been useful for him if something went wrong. It also looks like the PPI was affordable. So I don't think better information about the PPI would have put him off taking out the cover.
- Which means NatWest doesn't have to pay back all of the cost of the PPI to Mr W.

But NatWest will pay back *some* of the cost of the PPI to Mr W because:

- When the policy was sold, NatWest expected to get a high level of commission and profit share (more than 50% of the PPI premium) - so it should have told Mr W about that. Because NatWest didn't tell Mr W, that was unfair.
- To put that right, NatWest has basically offered to pay back the amount of commission and profit share that was above 50% of the PPI premium - and I think that offer is fair in this case.

I've thought about everything Mr W has said - including what he's said about other similar sales of PPI to him. But these points don't change my decision because this service treats each sale on its own individual merits. And I'm satisfied this is the fair result.

## **what the business needs to do**

NatWest has to pay back to Mr W any commission and profit share it got that was more than 50% of the PPI premium. NatWest should also pay back to Mr W any extra interest Mr W paid because of that.

NatWest should re-work the credit card account and pay back to Mr W the difference between what Mr W owes and what he would've owed if the commission and profit share it got hadn't been over 50% of the cost of the PPI. NatWest should also pay Mr W 8%\* simple interest if Mr W paid off their credit card at some point.

\*Businesses have to take basic rate tax off this interest. Mr W can claim back the tax if he doesn't pay tax.

### **my final decision**

The PPI policy wasn't mis-sold – so National Westminster Bank Plc does not have to pay back all of the cost of the PPI to Mr W.

But National Westminster Bank Plc does have to pay back to Mr W any commission and profit share it got that was more than 50% of the PPI premium.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr W to accept or reject my decision before 29 January 2018.

Rod Glyn-Thomas  
**ombudsman**