

## **complaint**

Mrs S complained that Barclays Bank UK PLC mis-sold her payment protection insurance (PPI) when she took out a personal loan. I'm aware Mrs S applied for a number of loans so to be clear, this decision is about her loan ending in 5899, taken out in 2009, over the phone.

## **background**

Our adjudicator in this case said the complaint about the PPI being mis-sold shouldn't be upheld. However, Barclays has offered to pay Mrs S *some* money for the commission it received from selling her the policy.

Mrs S still thinks the PPI was mis-sold in the first place and has asked 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 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.

Having done this I've decided not to uphold Mrs S's complaint.

We've seen a number of similar sales from around this time period and we've looked carefully at the processes Barclays used to sell PPI with loans at that time.

We know, for example, that consumers were usually asked about their requirements over the phone and this included whether or not they wanted to have PPI with their loan. Barclays also sent us the guidance its staff were told to follow during these phone calls, which included the adviser getting the consent of the consumer before any PPI was added. As a result of what was discussed during the call, the consumer was sent out the sale documents to read and approve.

I was sent copies of the documentation used in the course of this particular sale. These included details about Mrs S's loan and also a letter which was headed "*BARCLAYS LOAN PAYMENT PROTECTION INSURANCE*". This letter said Mrs S had applied for PPI with her loan and in my view it shows there was most probably a discussion about buying this type of cover, as I've described above.

I also think the letter describes the PPI as optional. So on balance, I think this shows Mrs S was probably asked about PPI during the call. I think it's likely she agreed to the policy and would have been able to see it wasn't something she needed to have if she didn't want to. I think if Mrs S hadn't agreed to the cover, she would have wanted to know why she had been sent the letter saying she had.

Barclays says it probably recommended this policy to Mrs S which means it had a duty to make sure that it was suitable for her situation. Mrs S says she didn't need the policy because she already enjoyed some sick pay with her job.

I've thought very carefully about this and everything else Mrs S has said and I understand the point she is making. But from what I've seen, I think she was eligible for the cover and

I don't think she'd have been 'caught' by any of the major exclusions we tend to see in these types of policies. And I'm afraid her work-related benefits don't necessarily mean she didn't have a use for the policy.

In the event of a successful claim for example, it could have paid out a monthly benefit for up to 12 months and this would have covered Mrs S's monthly loan repayments. This would have also been in addition to any other means she already had in place at the time and I think that at £6.16 per month, the policy would have been affordable for Mrs S.

So whilst I can't say *why* she took out the PPI, I think the policy was suitable for her.

Barclays also had to give information about the policy that was clear, fair and not misleading. I can't say that Mrs S was told everything she should have been because we no longer have access to the actual call. However, on the letter I've described above, the cost of the PPI was shown and it was described what the PPI was for. So I think Mrs S had enough information on which to make an informed decision.

I'm sorry to disappoint Mrs S, but I don't have enough evidence to say this policy was mis-sold, which means Barclays doesn't have to pay back all of the cost of the PPI. But it has already agreed to pay her some money because:

- Barclays got a high level of commission and profit share (more than 50% of the PPI premium). It should have told Mrs S about that. Because it didn't tell her, that was unfair.
- To put that right, Barclays basically offered to pay back the amount of commission and profit share that was above 50% of the PPI premium - I think that offer is fair in this case.

### **my decision**

For the reasons set out above, I don't uphold Mrs S's complaint. And I don't direct Barclays Bank UK PLC to do anything to put matters right.

My understanding is that Barclays Bank UK PLC has already paid Mrs S the money I've mentioned for the commission. Under the rules of the Financial Ombudsman Service, I am required to ask Mrs S to accept or reject my decision before 31 January 2019.

Michael Campbell  
**ombudsman**