

complaint

This complaint is about a payment protection insurance (PPI) policy taken out in 2002 in connection with a credit card. Mrs C says that Barclays Bank Plc ("Barclays") mis-sold the policy because she was not made aware of the optional nature of the policy or thought it was compulsory; the costs of the policy were not made clear to her; and the suitability of the policy was never established.

background

Mrs C says that in 2002 she went into a branch of Barclays and was handed a form and told to sign for her card. Mrs C says no conversation took place about the PPI and the PPI was mis-sold. Barclays says the sale took place on an advised basis and Mrs C chose the PPI which was suitable for her.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. In doing so, I have taken into the law and good industry practice at the time the policy was sold.

The key questions I need to consider are:

- Whether, in giving any advice or recommendation, Barclays took adequate steps to ensure that the product it recommended was suitable for Mrs C's needs.
- Whether Barclays gave Mrs C information that was clear, fair and not misleading in order to put her in a position where she could make an informed choice about the insurance she was buying.

If I consider Barclays did anything wrong, I then need to consider whether Mrs C would have taken out the PPI anyway.

In this complaint there is very little documentary evidence about what was said at the time of the sale in 2002. Mrs C has supplied her recollections, but these are not quite general, which is understandable given the passage of time since the sale. So, I have carefully weighed up the evidence available to me when reaching my decision.

The first issue I need to decide is whether the PPI was presented as optional.

Did Barclays present the PPI as optional?

Mrs C says she visited the Barclays branch during her dinnertime to pay some money into an account when the cashier told her she needed to sign for her card. Mrs C says she was in a rush and so signed a piece of paper being unaware of what she signed. Mrs C says there was no meeting or conversation about PPI prior to receiving the card in the post around two weeks later. As a result Mrs C paid no attention to her card statements (which showed the PPI premium) because she was unaware she had taken out the cover or thought it was compulsory. Mrs C also challenges whether the cross in the box on the form selecting PPI was present at the time she signed the form. I have considered these points very carefully.

Barclays says that the sale of the policy took place in 2002 and was conducted on an advised basis. It has supplied a copy of the credit card application form signed by Mrs C, which indicates that the sale took place in a branch. Mrs C has seen the application form.

Having looked at all the evidence I am not satisfied that I can conclude, more likely than not, that Mrs C was unaware of the optional nature of the PPI or that Barclays presented it as compulsory.

Mrs C says she was given an application form to sign by the cashier and just signed it, without receiving any advice. Barclays say that advice was given. Where the parties do not agree what happened my role is to decide on balance what is *most likely* to have happened. The sale took place in a branch. This means I cannot know for certain what Barclays told Mrs C about the policy. And there is very little documentation to suggest what Barclays *might* have said.

The credit card application form is filled out with personal information about Mrs C which has been typed. Mrs C says some of the information is inaccurate. While noting this, the fact that the application form is filled out suggests that it is likely some form of discussion is likely to have taken place. Mrs C says that the information could have been harvested from her account details without any discussion. I consider this is unlikely because Barclays would not have known Mrs C was going to visit the branch to pay some money in. Overall, bearing in mind the above, I cannot conclude, more likely than not, that no discussion took place.

The application form for the credit card had a separate section relating to PPI and this was set out under the heading '*9 Payment Protection Insurance*'. This section contained the following text:

The form presented both options equally prominently. Under the statements was a statement that read "*Please tick the box above if you require payment protection*". A cross appears on the form where the tick should be. I accept that it is possible that this cross *might not* have been present when Mrs C signed the form. However, I cannot conclude, more likely than not, that this was the case because there is insufficient evidence on which to base such a conclusion.

The form also contained sections which asked customers if they were interested in, an additional cardholder, or a balance transfer or a Barclaycard Card Protection. Mrs C did not select any of these other options.

All this leads me to conclude, more likely than not, that Mrs C chose the PPI option, but made no choice for the other offers. On balance this leads me to conclude that it is more likely than not that Mrs C was aware that she had taken out the PPI and that she could choose not to do so if she wished. For the same reasons, I am not persuaded that Barclays presented the policy as compulsory.

As Barclays accept that they advised Mrs C to take out the PPI, not only did Barclays need to provide Mrs C with clear, fair and not misleading information, it also needed to take reasonable steps to ensure that the policy was suitable for her needs.

At the time of the sale in 2002, Mrs C met the eligibility criteria and was in good health, and would not therefore have been caught by any of the significant limitations and exclusions

contained within the policy, such as those relating to pre-existing medical conditions or unusual employment terms, that could limit the value of the policy in the event of a claim.

Mrs C has told us she had some occupational benefits in the event that she was unable to work as a result of unemployment, sickness or an accident. In addition she has said she would rely on normal savings or help from family to meet her card repayments if off work through accident, sickness or unemployment. However, the benefits under the policy would be paid in addition to any work benefits Mrs C received. While I understand the point about drawing on normal savings and family I cannot conclude, more likely than not, that those funds would have been available when Mrs C needed them. It therefore seems to me that Mrs C is likely to have felt there was a need for cover. Accordingly I am not persuaded that the policy was an unsuitable recommendation for Mrs C.

It is possible that the costs and benefits of this policy were not made clear. I note, however, that the cost of the policy appeared on Mrs C's monthly credit card statements for several years after taking out the policy. Mrs C says she did not question these payments because she thought her statements were correct. However, whether the statements were correct or not, the cost was apparent (or should have been). But Mrs C does not appear to have queried or objected to the level of these charges.

Barclays has told us that the PPI cost 79p for every £100 of the balance outstanding. The policy paid out a benefit of 10% of Mrs C's monthly outstanding balance for 12 months in the event of accident, sickness or unemployment and was at a higher level than any occupational provision. In the unfortunate event of Mrs C's death it would have paid off her credit card balance up to £15,000.

Whilst it may not have been made clear that premiums would need to be met during a claim, and so the benefit is reduced because of that, or that premiums were interest bearing, it nevertheless remains a competitive benefit and higher than some other similar policies of its type. I am not persuaded, more likely than not, that Mrs C would have been put off by the cost, had it been made clearer and I find it likely she would have proceeded with the policy, in any event.

In conclusion, I am not persuaded that Mrs C was affected by any of the exclusions or limitations of the policy and the cost of the policy would not have been unattractive to her. I cannot be certain that Barclays explained the policy's exclusions, limitations and costs to Mrs C in a clear, fair and not misleading way. However, I am not persuaded, more likely than not, Mrs C would have decided against taking out the policy if she had been properly advised and informed and fully understood the position. Rather, it seems more likely to me that given her then circumstances she would have decided the policy provided valuable protection in relation to her credit card (and potential liability) and still gone ahead with it.

my final decision

My final decision is that I do not uphold Mrs C's complaint and make no award against Barclays Bank Plc.

Silas Catling
ombudsman