

## **complaint**

Mr M says Northern Bank Limited (NBL) mis-sold him a payment protection insurance (PPI) policy.

## **background**

This complaint is about a credit card PPI policy Mr M took out in 2008. It was added to his account when he applied for the card in person.

Our adjudicator upheld the complaint. NBL disagreed with the adjudicator's opinion so the complaint has been passed to me.

## **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 Mr M's case.

I've decided to uphold Mr M's complaint and I'll explain why.

NBL recommended the policy to Mr M but I don't think it was right for him.

I say this because for Mr M to make a claim for unemployment under the policy, he'd need to show he was actively looking for work – and be registered with the appropriate government agency.

But Mr M would've reached statement retirement age a few months after taking out the policy. And once he'd reached that age he couldn't have registered with the relevant department for unemployment. The policy also says if you can't register as unemployed then alternative proof may be accepted, and some examples are given. The term says 'This could include copies of job applications, responses and registration with job agencies'.

NBL's recommendation letter does say they've highlighted areas regarding limitations and exclusions. But I can't see they found out what Mr M's intentions were given how close he was to his state retirement age – so it's not clear if they specifically brought these terms to Mr M's attention when they sold him the policy.

So, based on what I've seen, I can't be confident Mr M was told he'd only be able to claim on a key benefit of the policy for a short period of time – and I don't think he would've bought the policy if NBL had made clear it wasn't right for him. So, I think Mr M has lost out because of what NBL did wrong.

I've taken into account NBL's comments, including what they said about other benefits on the policy. But as I can't see NBL properly explained the terms to him, I still think I should uphold the complaint.

### **putting things right**

NBL should put Mr M in the financial position he'd be in now if he hadn't taken out PPI. The policy should be cancelled if it hasn't been cancelled already and:

- A. NBL should find out how much Mr M would owe on his credit card if the policy hadn't been added to it.

So, they should remove the PPI premiums added, as well as any interest charged on those premiums. They should also remove any charges that were caused by the mis-sale of the PPI – as well as any interest added to those charges.

NBL should then refund the difference between what Mr M owes and what he would've owed.

If Mr M made a successful claim under the PPI policy, NBL can take off what he got for the claim from the amount they owe him.

- B. If – when NBL works out what Mr M would've owed each month without PPI – he paid more than enough to clear his balance, NBL should also pay simple interest on the extra Mr M paid. And they should carry on paying interest until the point when Mr M would've owed NBL something on his credit card. The interest rate should be 8% a year. <sup>†</sup>

- C. NBL should tell Mr M what they've done to work out A and B.

<sup>†</sup> HM Revenue & Customs requires NBL to take off tax from this interest. NBL must give Mr M a certificate showing how much tax they've taken off if he asks for one.

### **my final decision**

For the reasons I've explained, I uphold Mr M's complaint.

Northern Bank Limited should put things right by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 23 December 2016.

Jon Pearce  
**ombudsman**