

## **complaint**

Mrs C says Nationwide Building Society mis-sold her payment protection insurance ("PPI").

## **background**

This complaint is about a credit card PPI policy taken out in 2007. The policy was added to Mrs C's credit card account when she applied for the card in person.

Our adjudicator recommended that the complaint be upheld. Nationwide 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 this case.

I've still decided to uphold Mrs C's complaint. This is because the information Nationwide gave Mrs C about the exclusion for pre-existing medical conditions wasn't as clear as it should have been. I say this because the application form Mrs C signed made no clear reference to this. I think this would have mattered to Mrs C because she has confirmed to us some detail of a medical condition she had before she took out the card and insurance, and how this has affected her work life.

I think Mrs C has lost out as a result of Nationwide's failings in this case, because I don't think she would have taken out the policy if she'd been properly informed.

## **fair compensation**

Nationwide Building Society should put Mrs C in the financial position she'd be in now if she hadn't taken out PPI.

- A. Nationwide Building Society should find out how much Mrs C would have owed when she closed her credit card account if the policy hadn't been added.

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

Nationwide Building Society should then refund the difference between what Mrs C owed when she closed her account and what she would have owed if she hadn't had PPI.

If Mrs C made a successful claim under the PPI policy, Nationwide Building Society can take off what she got for the claim from the amount it owes her.

- B. Nationwide Building Society should add simple interest on the difference between what Mrs C would have owed when she closed her account from when she closed it until she

gets the refund. The interest rate should be 8% a year.<sup>†</sup>

- C. If – when Nationwide Building Society works out what Mrs C would have owed each month without PPI – Mrs C paid more than enough to clear her balance, Nationwide Building Society should also pay simple interest on the extra Mrs C paid. And it should carry on paying interest until the point when Mrs C would've owed Nationwide Building Society something on her credit card. The interest rate should be 8% a year.<sup>†</sup>
- D. Nationwide Building Society should tell Mrs C what it's done to work out A, B and C.

<sup>†</sup> HM Revenue & Customs requires Nationwide Building Society to take off tax from this interest. Nationwide Building Society must give Mrs C a certificate showing how much tax it's taken off if she asks for one.

### **my final decision**

For the reasons set out above, I uphold Mrs C's complaint.

I require Nationwide Building Society to pay Mrs C compensation in accordance with the calculation of redress set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 9 November 2015.

Timothy Bailey  
**ombudsman**