

complaint

Mr R's complaint is about the sale of a regular premium payment protection insurance (PPI) policy attached to his credit card. Mr R says that NewDay Ltd (NewDay) mis-sold the policy to him.

background

Mr R took out a credit card in 2000. Mr R says PPI was added to his account without his knowledge or agreement. He has also says he was given no information about the policy and did not sign any documents accepting the PPI.

Mr R has been unable to recall any information about how his credit card and the PPI were sold.

NewDay says Mr R chose to buy the PPI and he would have been provided with full information about the policy. It does not accept the policy was mis-sold.

Our adjudicator did not uphold Mr R's complaint. Mr R does not agree with that view so the complaint has been passed to me for a final decision.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

On balance, I've decided not to uphold Mr R's complaint. I've reached that decision for the reasons outlined below.

Mr R can't remember the date when he applied for his credit card and can remember little about the actual process. He does say he did not agree to take out a PPI policy with his credit card. NewDay also has limited information available about the sale and has submitted some screen shots to show its records. This lack of information is unfortunate and means that I've very little evidence to consider.

NewDay's records show the date the credit card started was in May 2000 and that the PPI policy was added to the card account at the same time. NewDay's records also indicate the application form was sent in, through the post.

Mr R can't remember how he applied for his card. He has indicated he did not agree it was a "*paper based application*" but he has not provided any other information about the process. Without seeing Mr R's actual application form I've relied on the NewDay's computer records. I think it most likely the credit card was applied for in May 2000 by post. Also the PPI was added at the same time as the card was opened.

NewDay has sent a sample of the form that was in use at the time to apply for this type of credit card. I can see the application form for the credit card had a section relating to PPI where Mr R was able to tick either "*yes*" or "*no*" to choose to take out the PPI policy.

NewDay say Mr R's would have ticked the "*yes*" box for the PPI to be added to his account. I've set this against Mr R's testimony that he never applied to buy PPI. But I have to take

account of the time that has passed since this form was completed and that Mr R has very little recollection of the timing and process.

If the PPI was added automatically in some way, without any agreement by Mr R, it seems likely to me Mr R would have noticed the premiums for PPI appearing on his credit card statements. It is also likely he would then contact NewDay to clarify what this was. I've seen no evidence that Mr R questioned the PPI appearing on his credit card until he complained in 2012. This was many years after the account was opened and when the PPI policy was added to it.

Without stronger testimony and evidence, I can't safely conclude Mr R did not apply to take out the PPI and it is most likely he ticked the "yes" box on the application form.

Mr R completed the credit card application form himself before returning it in the post. There is no record of a conversation between Mr R and a NewDay representative either prior to, or during the application process. So I am satisfied that NewDay did not personally recommend to Mr R that he should buy the PPI policy nor did it give any advice.

This means NewDay did not need to ensure the policy was suitable for Mr R's needs and circumstances. But it had to provide sufficient information to Mr R so he could decide if it was suitable and he wanted to buy the policy.

When Mr R applied for his credit card, he was eligible for the PPI in terms of his age, residency in the United Kingdom, being in continuous employment for the previous six months. He has also told us that he was in good health. So he would not have been caught by any of the significant limitations and exclusions contained within the policy that could limit the value of the policy to him if he needed to make a claim.

There's some uncertainty about Mr R's employment status at the time he filled in the application form, as he was unsure of the date this was done. But from the information eventually provided I think it most likely he was employed and working more than 16 hours per week.

Mr R told us that he would not have received any sick pay from his employer and had no other means to rely on to pay his monthly repayments.

This policy paid out a benefit of 10% of Mr R's monthly outstanding balance for up to 12 months in the event of accident, sickness or unemployment. In the unfortunate event of Mr R's death it would have paid off his credit card balance in full. The cost per £100.00 was shown on the credit card application form.

I accept it may not have been made clear that the premiums were interest bearing, but the policy still provided a competitive benefit and higher than similar policies of its type at the time. On balance, I am not satisfied Mr R would have been put off by the cost, had it been made clearer. Again the actual cost appeared on Mr R's statements and I've seen nothing to show this was unaffordable for him.

In conclusion, I am satisfied that Mr R was aware that PPI was optional and at the time he selected to add this to his account. Although I can't be satisfied NewDay clearly explained the policy's exclusions, limitations and costs, I don't believe better information would have made Mr R act any differently.

summary

In summary I don't believe I can safely say that NewDay presented the PPI policy as anything other than optional. I am also satisfied that it was a suitable recommendation for NewDay to make to Mr R. If there were shortcomings in the information, I don't believe these have resulted in a loss to Mr R or that he would have made a different decision if any shortcomings had not happened.

With so little information available and without stronger testimony, I am unable to say that NewDay mis-sold the policy to Mr R.

my final decision

For the reasons set out above, I don't uphold Mr R's complaint and make no award against NewDay Ltd.

Christine Fraser
ombudsman