

complaint

Mr W says Barclays Bank Plc mis-sold him a payment protection insurance (PPI) policy.

background

This complaint is about a single premium PPI policy taken out with a loan in 1999. Mr W applied for the PPI at a meeting.

I issued a provisional decision on Mr W's complaint in August 2015. I thought the complaint should be upheld. Barclays recommended the PPI to Mr W but I didn't think it was suitable for him. In summary this was because the policy included conditions that made it harder for people in temporary employment to claim unemployment benefit – and Mr W was an agency worker at the time he took out the policy.

Neither party responded to my provisional decision with any further comments or evidence.

my findings

I've reconsidered 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 W's case.

Having done so, and as neither party has provided any further comments or evidence, I've reached the same conclusions as set out in my provisional decision and for the same reasons.

what Barclays should do to put things right

Mr W borrowed extra to pay for the PPI, so his loan was bigger than it should've been and he paid more than he should've each month. So Mr W needs to get back the extra he's paid.

So, Mr W should:

- Work out and pay Mr W the difference between what he paid each month on the loan and what he would've paid each month without PPI.
- Add simple interest to the extra amount Mr W paid each month from when he paid it until he gets it back. The rate of interest is 8% a year[†].
- If Mr W made a successful claim under the PPI policy, Barclays can take off what he got for the claim from the amount it owes him.

[†] HM Revenue & Customs requires Barclays to take off tax from this interest. Barclays must give Mr W a certificate showing how much tax it's taken off if he asks for one.

my final decision

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

Barclays Bank Plc should pay Mr W compensation in line with the instructions set out above.

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

Ben Jennings
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