

complaint

Miss D says Barclays Bank Plc (“Barclays”) mis-sold her a payment protection insurance (“PPI”) policy.

background

Miss D bought the policy in 1998 at the same time as taking out a loan. The loan included an amount to pay for the policy.

Our adjudicator didn’t uphold the complaint. Miss D 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 Miss D’s case.

I’ve decided not to uphold Miss D’s complaint because:

- Barclays has shown us documents like those it would’ve used when selling these policies in branch. I understand Miss D would’ve had to choose PPI on the loan application form if she wanted it. I can also see from the sample loan agreement that the cost of the PPI would’ve been set out separately from the main loan. So although she doesn’t now remember discussing it, I think Miss D would’ve been given a free choice about taking out the policy. And it would’ve been clearly set out on the loan agreement if she’d chosen to take it. So based on the sample documents, I think it’s likely Miss D would’ve realised that PPI had been added to her loan.
- Barclays recommended the PPI to Miss D, but it doesn’t look as if it was unsuitable for her based on what I’ve seen of her circumstances at the time.
- The cost of the policy would’ve been shown on the loan agreement – including the amount of the premium, the interest payable on the premium and the total cost. So I think Miss D would’ve understood how much the PPI would cost if she kept the policy for its full term. I also think that Miss D could’ve afforded it.
- Given how long the policy could’ve paid out for, if Miss D made a successful claim she could’ve got back quite a bit more than what she paid for it.
- Miss D would’ve received a limited refund of the PPI premium if she cancelled the policy early. I don’t know if Barclays thought about this when it recommended the policy or explained the situation clearly to Miss D. But I’ve seen nothing to suggest she thought she would repay the loan early. So I don’t think this made the policy unsuitable or better information about this would’ve stopped her buying it.
- It’s possible Barclays didn’t point out the main things the policy didn’t cover. But it’s unlikely Miss D would’ve been affected by any of these.

I've taken into account Miss D's comments, including what she's said about the policy not being good value for money. But I think Barclays would've given her enough information about the cost of the policy for her to decide if she thought it was value for money. And if she thought it wasn't, she didn't have to accept its recommendation. So her comments don't change my conclusion.

my final decision

For the reasons set out above, I don't uphold Miss D's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Miss D to accept or reject my decision before 11 April 2016.

Matthew Bradford
ombudsman