

complaint

Mrs B has complained that Bank of Scotland plc trading as Halifax ("BoS") mis-sold her payment protection insurance ("PPI").

background

Mrs B complained to BoS that she was mis-sold PPI with her credit card. In response to Mrs B's complaint, BoS refunded the PPI premiums she'd paid along with any interest and fees she was charged because PPI was added to her credit card. It also paid her 8% per year simple interest on any money she would have had in her pocket if she hadn't had PPI.

But Mrs B said a County Court Judgement ("CCJ") was registered against her for the credit card debt, and this wouldn't have happened if PPI hadn't been added to her account. And she says she had to take out two loans to repay the credit card debt ("the loans"), which she wouldn't have needed to do if she hadn't taken out PPI with the card.

BoS has now refunded the PPI premiums applied to the loans, as well as the extra interest added to the loans because of PPI and 8% per year simple interest on the extra Mrs B paid.

But Mrs B remains unhappy with what BoS has done to settle her complaint. So she's asked this service to consider her complaint.

Our adjudicator looked into the complaint and didn't think that BoS needed to do anything more. But Mrs B didn't agree. So the complaint has now been passed to me to decide.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I can see that Mrs B has also complained about BoS' advice to take out the loans. We've looked into this separately in a different complaint. So I won't be considering it as part of this complaint. I'm only looking at the way her PPI policies on the credit card and the loans were sold.

As BoS has agreed to settle Mrs B's complaint, I'm not going to look into how it sold her PPI. BoS has paid Mrs B compensation, so I need to consider whether the compensation is fair.

I think the compensation BoS' has paid Mrs B puts her in the position she'd be in if she hadn't taken out PPI with her credit card or the loans. It gives her back the extra she's paid because PPI was taken out. And it includes 8% per year simple interest on the extra she paid because of PPI, to compensate her for the time she was out of pocket.

In calculating the compensation, BoS has followed the approach I'd tell it to follow if I'd found it mis-sold Mrs B PPI. So I think its offer is fair.

Mrs B has said the CCJ was registered against her and she had to take out the loans because PPI was added to her credit card. I could tell BoS to do something about this if I thought the mis-sale of PPI on the credit card was the cause, but I think Mrs B fell into financial difficulty because she wasn't able to pay all of her debts when they fell due.

I've seen that Mrs B took out two loans and cleared her credit card debt off twice, but she then built her balance back up again. On the first time her balance was just under £6,000 and on the second time it was just over £7,000 in September 2006. But when her credit card account was closed in 2008 her balance was back up to about £9,700. In total Mrs B was charged £2,373.85 in premiums and interest over the whole time she had her credit card. So I think she still would've had a balance on her card even without PPI. And I can't say BoS wouldn't have got a CCJ or that she wouldn't have taken out the loans without PPI. So I'm not going to tell BoS to do anything further.

my final decision

For the reasons I've explained, my final decision is that Bank of Scotland plc has done enough to settle Mrs B's complaint. I don't direct it to do anything more.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 15 February 2016.

Kyley Vernon
ombudsman