

## **complaint**

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

## **background**

This complaint is about a credit card PPI policy taken out in 2007. The policy was added to Mr S's credit card account at some point after he took out the credit card.

I issued a provisional decision in August 2015 upholding this complaint. I upheld it because Mr S told us that he became self-employed shortly after taking out PPI. He also told us that it was always his intention to do so.

The terms of the PPI policy made it harder for a self-employed person to claim if they become unemployed. As Mr S intended to become self-employed shortly after taking out PPI, I thought it was unlikely that Mr S could've used a large part of the policy.

I didn't think he would've bought the policy if Barclays had made it clear it wasn't suitable. So, I thought Mr S had lost out because of what Barclays did wrong.

Mr S didn't respond to my provisional decision. Barclays responded accepting it.

## **my findings**

I've considered all the available evidence and arguments to decide what is 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 S's case.

As Barclays accepted my provisional decision and Mr S hasn't given me anything else to think about, I don't see any reason to reach a different conclusion. So I uphold this complaint for the reasons set out in my provisional decision.

## **what Barclays needs to do to put things right**

Barclays should put Mr S in the financial position he'd be in now if he hadn't taken out PPI. The policy should be cancelled if it hasn't been cancelled already and:

- A. Barclays should find out how much Mr S would owe on his credit card if the policy hadn't been added to it.

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.

Barclays should then refund the difference between what Mr S owes and what he would've owed.

If Mr S made a successful claim under the PPI policy, Barclays can take off what he got for the claim from the amount it owes him.

B. If – when Barclays works out what Mr S would've owed each month without PPI – Mr S paid more than enough to clear his balance, Barclays should also pay simple interest on the extra Mr S paid. And it should carry on paying interest until the point when Mr S would've owed Barclays something on his credit card. The interest rate should be 8% a year.<sup>†</sup>

C. Barclays should tell Mr S what it's done to work out A and B.

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

### **my final decision**

For the reasons set out above, I uphold the complaint.

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 13 November 2015.

Guy Mitchell  
**ombudsman**