

complaint

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

background

I issued my provisional decision on 9 December 2015, a copy extract of which is attached and forms part of this final decision.

In my provisional decision, I explained why I was proposing not to uphold Mr W's complaint against NatWest.

I invited both parties to let me have any further submissions before I reached a final decision.

Both NatWest and Mr W confirmed they received my decision and neither party have added anything further.

my findings

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

As neither party has provided any further evidence or arguments for consideration, I see no reason to depart from the conclusions set out in my provisional decision. It follows that I do not uphold this complaint.

my final decision

My final decision is that I do not uphold Mr W's complaint against National Westminster Bank Plc.

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

Caroline Davies
ombudsman

copy extract of provisional decision

background

This complaint is about a credit card PPI policy taken out in 2000. The policy was added to Mr W's credit card account when he took out a credit card with NatWest.

The cost of the PPI policy was £0.77 per £100 of the outstanding monthly balance. If Mr W couldn't work due to accident or sickness or if he lost his job a successful claim would've paid 10% of the outstanding monthly balance on Mr W's credit card for up to 12 months per claim.

Our adjudicator thought the complaint should be upheld because he thought there wasn't enough evidence to show that Mr W would've understood the policy was optional.

NatWest disagreed so the complaint has been passed to me for a decision.

my provisional 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 this case.

Having done this, I don't intend to uphold Mr W's complaint. I understand Mr W will be disappointed as it's not the answer he was hoping for. But I'll explain my reasoning in detail below.

Because the credit card and PPI started on the same day NatWest say that this indicates the sale took place via an application at one of its branches. NatWest haven't been able to give us Mr W's original signed credit card application. I think this is understandable given the amount of time that has passed. Since our adjudicator made his assessment NatWest have given us a sample application form it says is similar to the one that would've been used at the time of the sale. I think it's likely this is the same type of form that Mr W would've completed.

I can see on the sample application form that Mr W would've had to sign separately if he wanted to have PPI added on when he took out his credit card. I think because Mr W would've had to sign separately to take the PPI it was clear from the form that he had a choice about whether or not to take it. I think Mr W would've understood this. And I think it's more likely PPI was added to the account because Mr W signed to take PPI. This is where I think differently to our adjudicator who wasn't able to assess Mr W's complaint with the sample application form.

Because of the type of application form NatWest says Mr W completed I don't think the sale was advised. What this means is that NatWest didn't recommend PPI to Mr W, they just gave him information about PPI. This information needed to be given in a way that was clear, fair and not misleading so he could make an informed choice about buying PPI.

NatWest says the key features of the policy would've been given to the Mr W at the time he applied for his credit card. Mr W says the cost of the policy and terms and conditions weren't explained to him. It's possible NatWest didn't do things properly when making sure the information provided on the policy was good enough.

That being said even if NatWest did give all the information Mr W needed to make an informed choice on taking out the policy, I think he would've still taken the policy because at the time of the sale:

- Mr W was eligible for the PPI.
- It doesn't look like he would've been caught by any of the main exclusions in the terms and conditions of the policy which could've made it difficult to make a successful claim.
- At the time of the sale Mr W says he was entitled to some sick pay and had other means of making his repayments. The policy would've paid out of top of his sick pay and any savings or other insurance he had in place. So I think the policy would've provided a useful benefit for him.
- There is nothing to suggest the policy wasn't affordable to Mr W and if he no longer wanted the policy he was able to cancel it. Which he did a few years later.

I don't think it would've made a difference in how the information was given to Mr W on the PPI. I think he would've still taken out the PPI policy as it suited his needs and was of value to him.

my provisional decision

For the reasons set out above I don't think Mr W has suffered any loss and I don't intend to uphold Mr W's complaint.

Caroline Davies
ombudsman