

complaint

Ms M complains that Barclays Bank Plc ("Barclays") mis-sold her a regular premium payment protection insurance (PPI) policy.

background

Ms M applied for a credit card with Barclays in one of its branches in August 2001. The PPI policy was added to her at that time.

The cost of the policy was 75p per £100 of the monthly outstanding balance. The benefit was 10% of the monthly outstanding balance for up to a maximum of 12 months' per claim for accident, sickness and unemployment. The policy also provided some other benefits in addition to these main benefits.

Our adjudicator upheld Ms M's complaint. Barclays didn't agree with the adjudicator and the complaint has been passed to me.

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 Ms M's case.

Having done that, I've decided to uphold Ms M's complaint.

Ms M complains that PPI was added to her account without her consent.

Barclays has provided a copy of the credit agreement where it says Ms M gave her consent to taking the PPI. This document is not totally clear and Barclays has confirmed it is the clearest copy it has. Some parts of the document are legible and others not. For example Ms M's signature is clear and some parts of the document are clearly completed by the Barclays representative as it is completed in typeface-as opposed to handwritten. It is also clear that the smaller fonts used on the document are unreadable. In saving the document contrasting shades and colours have been lost and there seems to be marking and discolouration which seem unlikely to have been on the blank form when Ms M signed it.

A number of selections Ms M made are indicated by a capital "X" in typeface-which seems to me to have been added by the Barclays representative as they went through the document with Ms M. There is no such X near the 'yes to PPI' section or indeed the 'no to PPI' section. Bearing in mind that is how the other selections are made on the document I would expect there to be an X somewhere in the PPI section.

There is some sort of mark on the document near the PPI section. I don't consider it to be "tick" as Barclays refer to it. I can't tell it was on the document when Ms M saw it or whether it has appeared in the copying processes this copy document seems to have gone through. I note that the Barclays staff member appears to have put a small handwritten x where Ms M had to sign the document. This mark appears similar to the handwritten x I've described so it might be that this mark in the PPI section was made by the Barclays staff member.

Given Ms M's comments that and the poor standard of the document provided and that the selection method used in the rest of the document isn't used in the PPI section and my other comments, I can't say it is likely Ms M did consent to the policy.

So I uphold Ms M's complaint.

What the business should do to put things right

Barclays should put Ms M in the financial position she'd be in now if she hadn't taken out PPI. Barclays should:

- A. Barclays should find out how much Ms M would owe on her 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 Ms M owes and what she would have owed.

If Ms M made a successful claim under the PPI policy, Barclays can take off what she got for the claim from the amount it owes her.

- B. If – when Barclays works out what Ms M would have owed each month without PPI – Ms M paid more than enough to clear her balance, Barclays should also pay simple interest on the extra Ms M paid. And it should carry on paying interest until the point when Ms M would've owed Barclays something on her credit card. The interest rate should be 8% a year.[†]
- C. Barclays should tell Ms M what it's done to work out A and B.

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

my final decision

For the reasons set out above, I uphold Ms M's complaint and require Barclays Bank plc to pay Ms M fair compensation, as outlined above. Under the rules of the Financial Ombudsman Service, I am required to ask Ms M to accept or reject my decision before 9 November 2015.

Rod Glyn-Thomas
ombudsman