

complaint

Mr J complains that Barclays Bank Plc ("Barclays") mis-sold him a single premium payment protection insurance (PPI) policy.

background

Mr J applied for a loan with Barclays in 1999. The PPI was sold to Mr J in connection with this loan during a meeting.

Both the term of the loan and the PPI policy ran for 60 months. The policy would've covered Mr J for the term of the loan if he was off work sick and for up to 360 days if he became unemployed.

Our adjudicator initially upheld Mr J's complaint on the basis that Barclays hadn't made the optional nature of the policy clear to Mr J. But since that view was sent out, Barclays provided further information which changed the adjudicator's mind and the complaint was no longer upheld.

Mr J didn't agree with the adjudicator and the complaint has been passed to me to consider.

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 Mr J's case.

Having done that, I've decided not to uphold Mr J's complaint.

I have looked at the policy document/schedule and am satisfied that Mr J was eligible for the policy.

Barclays don't have a copy of the actual application form completed by Mr J. This is understandable given that the sale took place in 1999. But Barclays have given us other documents which they say represent the documents Mr J would've seen and completed at the time of the sale.

One of the documents is a sample application form. I can see from this form that Mr J would've been presented with two equally prominent options to either accept or decline PPI. I think that because the policy was presented in this way, Mr J would've more likely been aware that the policy was optional.

Barclays have also provided a form of agreement. This sets out the costs of the policy separate to that of the loan. Because of this, I think Mr J would've known that the loan and the policy were two separate products and he would've been aware he was buying PPI.

Barclays accept they advised Mr J to take the policy out. This means they had to take adequate steps to ensure the policy was suitable for Mr J. I don't know if Barclays did take all the steps they should've. But I think the policy was suitable for Mr J for the following reasons:

- Even though Mr J has told us he would've received 13 weeks' pay from his employer if he was off work sick, the policy would've paid out in addition and for a longer period of time. So if he was off sick, it would've covered him for up to the full term of the loan. Mr J says he would've received a statutory redundancy package if he lost his job. But the policy would've paid out for 360 days if he became unemployed. So I think the policy provided him with good value for money in his circumstances.
- Mr J says that his family and partner could've helped him. I've no reason to think his family and partner didn't have the intention of helping him out. But I can't rely on this because ultimately they weren't responsible for meeting the repayments and their circumstances may have changed such that they might not have been able to help.
- The costs of the policy appear to have been clearly set out and it doesn't appear as though they were an issue at the time. I can't see that Mr J had a particular need to keep costs down. And so I think the policy was affordable for Mr J.
- Although, if Mr J wanted to cancel the policy or settle the loan early, he wouldn't have received a pro rata refund, I don't think this made the policy unsuitable for him because there's nothing to suggest Mr J wanted to or would've settled the loan earlier. In fact I note from the statements provided by Barclays that Mr J's loan and policy ran to term.
- Mr J wasn't affected by the terms in the policy which would've made it more difficult for him to make a claim. For example, the restrictions relating to unusual working arrangements or medical conditions.

I also need to consider whether Barclays gave Mr J information in a way which was clear, fair and non-misleading so that he could make a proper choice about whether or not he wanted to take the policy out. I don't know if Barclays did give all of the information as they should've. So I need to think about whether or not Mr J would still have taken the policy out if he had been given better information.

I think that if Mr J had been given all the information as he should've, he would still have taken the policy out. I say this for the same reasons that I think the policy was suitable for him.

It follows that I don't uphold Mr J's complaint.

my final decision

I do not uphold Mr J's complaint against Barclays Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 12 November 2015.

Navneet Sher
ombudsman