complaint

Mrs F complains that Barclays Bank Plc (Barclays) mis-sold her a single premium payment protection insurance (PPI) policy when she took out a personal loan.

background

During a meeting in 2000 Mrs F took out a 5 year loan with Barclays. At the same time she was sold a single premium PPI policy to protect her repayments.

Our adjudicator didn't think the complaint should be upheld. Mrs F disagreed so the complaint has been passed to me.

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 this case.

I've decided not to uphold Mrs F's complaint.

Because of the time that has passed since the sale took place there is limited information available about what happened during the sale. So to help me reach my decision I've looked at what we know about Barclays' sales process at the time of the sale and the paperwork.

From what I know about the sales process at the time and what Barclays say happened here, a credit agreement was only produced after a discussion about PPI had taken place and Mrs F had completed an application form. From the sample application form I've seen, I think Mrs F would've had to make an active selection on the form for PPI cover.

Barclays has been unable to provide a copy of the original credit agreement. But I can see from a sample agreement that would've been used at the time that the amount of the loan and PPI premium and charges for interest were separated out from one another under the headings 'Cash Loan' and 'Premium Loan'. If Mrs F hadn't agreed to take out the policy the credit agreement would've been produced showing just the cost of the cash loan.

Because I think Mrs F had to make a decision about PPI and actively select cover before the credit agreement was produced, I think she knew that she had a choice about taking it. Because the credit agreement showed the costs of the loan and PPI separately from one another I think she would've understood that the PPI was a separate product from the loan.

This was an advised sale. What this means is that Barclays not only had to provide information about PPI in a clear, fair and not misleading way so that Mrs F could make an informed choice about buying PPI. They also had to make sure that the policy was suitable for her needs and circumstances.

I think the recommendation to take out the PPI was suitable because:

- Mrs F was eligible for the policy and it doesn't look like she would've been caught by any of the main exclusions of the policy which could've made it difficult to make a successful claim.

- Mrs F can't remember whether she had sickness benefits from work but these are unlikely to have covered the term of the loan. Mrs F had no savings. Mrs F has told us that she took out a hospital cover but hasn't been able to provide details of this. So I think the policy would've offered a useful benefit if she wasn't working.

- There was nothing to suggest that the policy wasn't affordable to Mrs F.

Barclays also needed to give Mrs F enough information about the policy so that she could decide whether the policy was right for her. Barclays says its advisor would've explained the terms to Mrs F. I can see the costs of the policy were set out on the agreement but the benefits weren't. And I don't know how clearly the advisor explained the policy to her during the meeting. So I can't say that the information given was good enough. But I don't think it would've made a difference how the information was given to her. I think she would've still taken out the PPI policy as it suited her needs, was of value to her and she only had limited cover in place.

This means Mrs F isn't worse off as a result of any wrong doing by Barclays.

my final decision

I don't uphold this complaint and I don't direct Barclays Bank Plc to compensate Mrs F.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or reject my decision before 5 February 2016.

Rebecca Haigh
ombudsman