## complaint

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

## background

Mr R took out a credit card in 2007. Mr R is complaining about the PPI policy sold to him in connection with this credit card.

The policy cost 79p per £100 of the monthly outstanding balance on his credit card. The policy would've paid 10% of the monthly outstanding balance if Mr R was unable to work due to accident or sickness or lost his job.

Our adjudicator thought the complaint should be upheld because she didn't think there was enough evidence to suggest that Mr R was given the opportunity during the sale to actively confirm that he wanted to take the policy out.

Barclays disagreed. So the complaint has been passed to me to consider.

## my findings

I have 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 R's complaint.

I've decided to uphold Mr R's complaint.

Barclays had to make sure Mr R agreed to take out the policy.

Barclays haven't been able to tell us what the sales channel was. They say because the policy was sold after Mr R's credit card was activated they've assumed that it was a phone sale. Mr R says the policy was sold during a meeting. So I can't say for sure that the PPI was sold during a telephone call.

But even if I do accept the policy was sold over the phone this does not help me understand if Mr R agreed to take out the policy for the following reasons:

- Barclays don't have a call recording so I don't know how the PPI was introduced into the conversation.
- Barclays have provided a sales script but it isn't clearly dated and so I don't know if it applies to the time this policy was sold.
- Even if it does, Barclays can't confirm whether the call was inbound or outbound. And they have only provided an inbound call script. So I can't rely on this sales script as being the one they would've used with Mr R.

So I can't say how the PPI came to be applied to Mr R's account.

Barclays say that Mr R didn't want the policy he could've cancelled it at any time. I don't think that telling someone they have the right to cancel the policy shows me that Mr R agreed to take out the policy.

Barclays have given us a copy of Mr R's credit card agreement which shows that at the time Mr R applied for his credit card he chose *not* to take PPI.

So the only documentary evidence I have in relation to whether or not Mr R wanted to take PPI shows that he didn't want it. I don't know what has happened after that because of the limited information available, but Mr R has ended up with a policy that he didn't initially want.

So based on the information I've seen, I can't say it's more likely Mr R agreed to take the policy.

It follows that I uphold Mr R's complaint.

**what Barclays should do to put things right**

Barclays should put Mr R 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 R 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 R owes and what he would have owed.

   If Mr R 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 R would have owed each month without PPI – Mr R paid more than enough to clear his balance, Barclays should also pay simple interest on the extra Mr R paid. And it should carry on paying interest until the point when Mr R would've owed Barclays something on his credit card. The interest rate should be 15% a year until April 1993 and 8% a year from then on.†

C. Barclays should tell Mr R 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 Mr R a certificate showing how much tax it's taken off if he asks for one.

**my final decision**

For the reasons I've explained, I uphold Mr R's complaint. I direct Barclays Bank Plc to pay Mr R the compensation as I've set out above.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr R to accept or reject my decision before 30 December 2015.

Caroline Davies
**ombudsman**