

## **complaint**

Miss C complains that a term assurance policy, that she took out alongside a personal loan, was mis-sold to her by National Westminster Bank Plc. She is being helped with her complaint by a representative.

## **background**

Miss C was provided with a loan by NatWest in 2003 and she also took out a life assurance policy. She complained to NatWest in 2013 that the life assurance policy had been mis-sold to her. NatWest said that it had not advised Miss C in connection with the policy but offered to refund the premiums with interest and to pay her £100 compensation. The interest was to be calculated on the basis that the money had been invested in a savings account. Miss C did not accept NatWest's offer so complained to this service.

The adjudicator concluded that NatWest's offer was fair and reasonable but recommended that the interest should be calculated at the statutory rate of interest (an annual rate of 8% simple). She did not consider that NatWest should be required to increase the compensation for the distress and inconvenience that had been caused to Miss C. NatWest has accepted the adjudicator's recommendation.

Miss C says, in summary, that she should receive further compensation because of the impact of the premiums on her financial difficulties. She says that the policy premium contributed to the overdrawn status of her account and that she should be compensated for that. She says that she would accept £300 compensation for her distress and inconvenience.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

NatWest has agreed to refund to Miss C the premiums that she paid for the policy and to pay interest at the statutory rate on those amounts. It has also agreed to pay £100 compensation to Miss C for the distress and inconvenience that she has been caused.

NatWest has provided copies of Miss C's bank statements. Having looked at the statements, and taking account of Miss C's other outgoings, I am not persuaded that the monthly life assurance premiums had a significant enough impact on her overdraft to justify a higher amount of compensation being awarded to her. I have not seen evidence to show that Miss C incurred bank charges as a direct result of the premiums.

I consider that the £100 compensation offered by NatWest is fair and reasonable in the circumstances. I also consider it to be consistent with other awards of compensation made by this service where comparable amounts of distress and inconvenience have been caused.

## **my final decision**

For these reasons, my decision is that, in full and final settlement of Miss C's complaint, I order National Westminster Bank Plc to:

1. Refund to Miss C the premiums that she paid for the life assurance policy.
2. Pay interest on those amounts at an annual rate of 8% simple from the date that each premium was paid until the date of settlement.
3. Pay £100 to Miss C to compensate her for the distress and inconvenience that she has been caused.

If NatWest deducts tax from the interest element of my award, it should send Miss C a tax deduction certificate when making payment. She can then use that certificate to reclaim the tax if she is entitled to do so.

Jarrold Hastings  
**ombudsman**