

## **complaint**

Mr D's complaint is about the payment of compensation by Bank of Scotland plc for the sale of a payment protection insurance (PPI) policy.

## **background**

Mr D complained to Bank of Scotland about two credit card PPI policies he was sold in 2002. In June 2012, Bank of Scotland offered to pay Mr D compensation for both sales. It offered payment of £1,173.22 for the first PPI policy and £1,249.92 for the second policy.

Bank of Scotland sent Mr D a cheque for the first PPI policy on 3 July 2012. And it sent a cheque for the second policy on 5 July 2012. Mr D paid both cheques into the savings account he held with another bank.

Unfortunately there was a processing problem with the cheque for the second PPI policy. Bank of Scotland says it sent Mr D a replacement cheque and that this was cashed on 31 July 2012. Mr D says he never received the replacement cheque and so Bank of Scotland still owes him the compensation.

Our adjudicator looked at Mr D's complaint. She thought that Mr D hadn't received the compensation for the second PPI policy. She said that Bank of Scotland should pay the compensation to Mr D, along with a further £100 because of the way it's dealt with the complaint.

Bank of Scotland disagrees with our adjudicator's view and has asked for an ombudsman to look at the complaint.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I think the relevant issues to take into account are the same as those set out in the note on our website about our approach to PPI complaints.

The available evidence doesn't show exactly what happened in this case. So I need to decide what I think is most likely to have happened.

It's clear that Bank of Scotland originally sent Mr D two cheques - one for each PPI policy. The first one was paid into his account without any difficulty, but there was a processing problem with the cheque for the second policy. Both Mr D and Bank of Scotland agree on this.

Bank of Scotland says it sent Mr D a replacement cheque that was cashed on 31 July 2012. We've asked what evidence it has to show this. Bank of Scotland has said its internal spreadsheet confirms that the cheque was sent and cashed, but that it can't share the spreadsheet with us.

Mr D says he was never sent a replacement cheque. He's provided a copy of a statement for his savings account covering July to October 2012. The statement confirms that Mr D paid in the two cheques he was sent originally and that there was a problem with one of them. But

there's no evidence that Mr D paid in a replacement cheque on 31 July, or at any time up to the start of October.

Mr D has also provided a copy of a letter he says he wrote to Bank of Scotland on 15 August 2012 – two weeks after Bank of Scotland says the replacement cheque was cashed. The letter asks when the bank is going to send him a replacement cheque. Mr D says he never got a reply to the letter. Two months later he complained to the ombudsman service.

As I've said, I can't be sure what happened. It's possible that Bank of Scotland sent out a replacement cheque. But I think it's most likely that Mr D didn't receive a replacement and has not been paid compensation for his second PPI policy.

So I've decided to uphold Mr D's complaint. I think Bank of Scotland should pay Mr D compensation of £1,249.92, plus any extra interest that he's owed.

And I agree with our adjudicator that Bank of Scotland should give Mr D an additional £100 because it has put him to more trouble than necessary.

### **fair compensation**

Bank of Scotland should pay £1,249.92 to Mr D as compensation for the sale of the PPI policy. I understand that Bank of Scotland has already paid Mr D some extra interest on this amount, but it should add interest (at 8% a year) up to the date the compensation is paid.

Bank of Scotland should also make an award of £100 to Mr D for the trouble caused by its handling of this complaint.

### **my final decision**

For the reasons given, my final decision is that I uphold Mr D's complaint and make an award against Bank of Scotland plc as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 2 November 2015.

Matthew Young  
**ombudsman**