

complaint

Mr O complains that he was mis-sold payment protection insurance ("PPI") policy when he took out a credit card with National Westminster Bank Plc ("NatWest").

background

I issued a provisional decision on this case, in which I set out that I propose to uphold Mr O's complaint. This is attached and forms part of my final decision.

Both parties were given an opportunity to comment on my provisional decision.

NatWest has argued that it is likely that the sale was made in a branch and that a sample application form shows that Mr O would have been made aware that he had a choice to buy the PPI and that he consented to buy it.

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 O's case.

NatWest has confirmed that it is still unable to determine the sales channel for this PPI sale. Whilst, I acknowledge NatWest's testimony about the timings of the PPI sale and the credit card application, I am not persuaded, in this case, that this proves the sale was made in branch and that, therefore, the sample application is applicable to this sale.

I therefore stand by my provisional decision and am upholding this complaint.

putting things right

NatWest should put Mr O 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. NatWest should find out how much Mr O 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.

NatWest should then refund the difference between what Mr O owes and what he would have owed.

If Mr O made a successful claim under the PPI policy, NatWest can take off what he got for the claim from the amount it owes him.

- B. If – when NatWest works out what Mr O would have owed each month without PPI – Mr O paid more than enough to clear his balance, NatWest should also pay simple interest on the extra Mr O paid. And it should carry on paying interest until the point when Mr O

would've owed NatWest something on his credit card. The interest rate should be 8% a year.[†]

C. NatWest should tell Mr O what it's done to work out A and B.

[†] HM Revenue & Customs requires NatWest to take off tax from this interest. NatWest must give Mr O a certificate showing how much tax it's taken off if he asks for one.

my final decision

I uphold this complaint and direct National Westminster Bank Plc to pay compensation to Mr O as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 8 February 2016.

Rebecca Haigh
ombudsman

complaint

Mr O complains that he was mis-sold payment protection insurance ("PPI") policy when he took out a credit card with National Westminster Bank Plc ("NatWest").

background

Mr O bought a regular payment PPI policy when he took out a credit card with NatWest in 1998.

Our adjudicator has assessed this complaint and thinks that it should be upheld. NatWest has disagreed and asked for the complaint to be passed to an ombudsman.

my provisional 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 O's case.

Mr O has told us that the sale took place during a meeting. But NatWest has been unable to confirm the sales channel. NatWest has confirmed from the records it has that the PPI and credit card both started within a day of each other but it can't confirm precisely how it was sold. NatWest has sent us an application form which could have been completed. But NatWest hasn't provided a copy of the exact application form that would have been completed by Mr O and it can't confirm that this is what Mr O would have completed to apply for the credit card and PPI.

Mr O has told us that he did not consent to taking out this PPI policy. Mr O clearly feels that he shouldn't have been sold this PPI and wouldn't have chosen to take it if given a clear choice.

NatWest hasn't provided any evidence showing that Mr O consented to buy this PPI policy. All NatWest has provided us with is bank statements showing that the PPI was charged. Not that Mr O agreed to buy the policy.

In conclusion, on balance I find Mr O's testimony more persuasive than that of NatWest with regard to whether Mr O consented to buy the PPI policy. For this reason in this particular case I think that Mr O's complaint should succeed.

putting things right

NatWest should put Mr O 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:

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F. NatWest should tell Mr O what it's done to work out A and B.

[†] HM Revenue & Customs requires NatWest to take off tax from this interest. NatWest must give Mr O a certificate showing how much tax it's taken off if he asks for one.

my provisional decision

I intend to uphold this complaint and order National Westminster Bank Plc to pay Mr O compensation as set out above.

I now invite both parties to let me have any further evidence or arguments they consider are relevant, in writing, and before 17 December 2015, at which point I will reconsider Mr O's complaint and issue my final decision.

Rebecca Haigh
ombudsman