

## **complaint**

Mrs S says Canada Square Operations Limited mis-sold her a payment protection insurance (PPI) policy.

## **background**

This complaint is about a credit card PPI policy taken out in 2003. The policy was added to Mrs S's Egg credit card account when she applied for the card over the internet.

The PPI cost 74p per £100 of the monthly outstanding balance. If Mrs S had made a successful claim, it would have paid 10% of her outstanding credit card balance for up to 12 months if she was too ill to work, or if she lost her job.

Our adjudicator didn't uphold the co he adjudicator's opinion so the complaint's 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 Mrs S's case.

Where the evidence is incomplete or inconclusive, I need to decide what I think's most likely based on the information I have.

I've decided not to uphold Mrs S's complaint. I'll explain why.

- I've seen a screenshot of the part of the online credit card application process in which PPI would have been offered to Mrs S. It includes equally prominent options to take or decline PPI. Canada Square says Mrs S wouldn't have been able to go ahead with her application unless she chose *one of* these options.
- I'm satisfied, on balance, that the PPI would only have been added to Mrs S's account if she'd selected the option to take it. And I think the way that the PPI was presented during the application process made it clear that the cover was optional. So taking everything into account, I think Mrs S chose to take the PPI, realising that she didn't have to - although I can understand how she may no longer remember this, so many years later.
- Mrs S applied for the credit card online. Canada Square didn't recommend the PPI to her, so it didn't have to check if it was suitable for her. It was for Mrs S to decide whether to take the PPI, knowing what other means she had of making her credit card repayments if she was off sick or unable to work.

- Mrs S has told us she can't remember how much sick pay or redundancy pay she'd have been entitled from her employer at the time. If she'd made a successful claim on the policy, it would have helped with her credit card repayments each month for up to 12 months. I think it's likely that that's longer than Mrs S would have been entitled to full sick pay for. And it would have paid the same benefit if she'd made a successful unemployment claim. What's more, it would have paid out *in addition* to any payments Mrs S received from her employer. So she could have used those to meet other expenses. And she wouldn't have had to use her limited savings to make her credit card repayments.
- I've borne in mind that Mrs S has told us she was receiving a monthly allowance from the DWP when she took out the PPI. But even taking that into account, I think she could have struggled to make her monthly payments once any payments from her employer stopped. And although Mrs S has mentioned that she had critical illness insurance, that's a different type of cover, and wouldn't have paid out in the same circumstances as PPI. So I don't think it made the PPI unsuitable for Mrs S. And taking everything into account, I think the PPI could have been useful for her.
- It's possible the information Canada Square gave Mrs S about the PPI wasn't as clear as it should have been. But I think Mrs S chose to take out the policy, so it looks as if she wanted this type of cover, even if she's understandably forgotten that now. Based on what I've seen of her circumstances at the time, it doesn't look as if she'd have been affected by any of the main things the policy didn't cover (for example, unusual working arrangements, or existing medical conditions).
- The cover was competitively priced. And I've seen nothing to suggest that Mrs S couldn't afford it. I'm satisfied that the premiums for the PPI were shown clearly on Mrs S's monthly credit card statements. And since she was paying for it monthly, she could have cancelled it at any time without further cost if her circumstances changed, or if she decided she no longer wanted the cover.
- Taking everything into account, I'm not convinced that better information about the PPI would have put Mrs S off taking it out. So I don't think she's lost out as a result of anything Canada Square may have done wrong.

This means that Canada Square doesn't have to pay back all of the cost of the PPI to Mrs S.

But Canada Square has paid back some of the cost of the PPI to Mrs S because:

- Canada Square got a high level of commission and profit share (more than 50% of the PPI premium) – so it should have told Mrs S about that. Because Canada Square didn't tell Mrs S, that was unfair.
- To put that right, Canada Square has paid back the amount of commission and profit share that was above 50% of the PPI premium – and I think that is fair in this case.

### **my final decision**

The PPI policy wasn't mis-sold – so Canada Square Operations Limited doesn't have to pay back all of the cost of the PPI to Mrs S.

But Canada Square Operations Limited does have to pay back to Mrs S any commission and profit share it got that was more than 50% of the PPI premium. I understand it's already done this, so I don't award any further compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 9 January 2021.

Juliet Collins  
**ombudsman**