

complaint

Mr C complains that he was mis-sold a payment protection insurance (PPI) policy by Barclays Bank Plc.

background

Mr C was sold PPI when he took out a loan with Barclays in July 1998. The cost of the PPI policy was added to Mr C's loan account.

Mr C was sold another PPI policy when he refinanced his loan in July 1999. Mr C has already accepted an offer of compensation from Barclays for that policy. So I won't be looking at that sale in this decision.

An adjudicator looked at the sale of the July 1998 PPI policy, and didn't think Barclays had mis-sold it. Mr C disagrees and has asked for his complaint to be looked at by an ombudsman.

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 Mr C's case.

I've looked first at Mr C's complaint that he wasn't told the PPI was optional.

The PPI policy was sold to Mr C during a meeting. Barclays says PPI would have been discussed with Mr C as part of his loan application. It says PPI would only have been added to his loan if he agreed to it, and the cost of the PPI would have been set out separately on the loan agreement.

I can't be sure what was said to Mr C, so I need to decide what I think is most likely to have happened. And, based on the evidence I've seen and what I know of Barclays' sales processes, I think Mr C would have been given a choice about whether to take PPI. And I think he decided to add PPI to his loan.

Barclays has said it advised Mr C to buy the PPI. So it had to make sure it was suitable for his needs. And based on Mr C's circumstances at the time, I think the policy would have been suitable because:

- There was a potential need for cover as Mr C was taking on a new monthly commitment with his loan repayments.
- I think Mr C was most likely eligible for the PPI. And he was unlikely to be affected by any of the things the policy didn't cover (such as pre-existing medical conditions) which might have made it less suitable.
- The policy provided cover for the term of Mr C's loan, and I've seen no evidence that the cost was unaffordable for him.

- It appears that Mr C had limited other means – such as sick pay or savings – that he could have used to make his repayments. The PPI could have met his monthly payments until the loan was repaid in the event of a successful claim for accident or sickness. And it could also have paid for up to 12 months for unemployment. So I think the policy could have been useful if Mr C had been off sick for a while or lost his job.
- Mr C would have got a limited refund when he cancelled the PPI early. But I haven't seen any evidence that Mr C thought he would want to repay his loan early at the time he took it out.

Overall I think the PPI would have provided Mr C with worthwhile cover and was suitable for his needs.

I've also looked at whether Barclays gave Mr C information that was clear, fair and not misleading, so he could make an informed choice about whether or not to buy the PPI policy.

Based on the evidence I've seen, I think the cost of the PPI was most likely made clear to Mr C. But I can't be sure he was given clear enough information about other features of the policy.

However, even if Mr C had been given more information, I still think he would have taken out the PPI. Any further information would have simply shown that Mr C was eligible and wasn't affected by any of the things the policy didn't cover, and that he could afford it.

As a result, I'm planning not to uphold Mr C's complaint.

my final decision

For the reasons given, my final decision is that I do not uphold Mr C's complaint against Barclays Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 15 February 2016.

Matthew Young
ombudsman