

## **complaint**

Mr P has complained that he was mis-sold a regular premium payment protection insurance ("PPI") policy by Barclays Bank Plc ("Barclays").

## **background**

Mr P bought a PPI policy from Barclays when he took out a loan in 2009.

Our adjudicator looked at this complaint and thought it should be upheld. Barclays didn't agree, and so the case has been passed to me for a final decision to be made.

## **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 this case.

I'm going to uphold this complaint. I'll explain why.

Mr P can't remember the sales channel for this PPI policy. He has told us that he didn't know PPI was added to his loan. Barclays has told us that it recommended to Mr P that he buy the PPI. At first, Barclays told me that it didn't know the sales channel of this PPI policy. Later, Barclays told us that the sale was made on the telephone. Barclays hasn't been able to give me any reassurance that it knows the nature of the telephone call (eg activation) or if it was made in branch or from a distant location (e.g. Mr P's home).

As it seems the sale was made on the telephone, it was during this call when Barclays should have made it clear to Mr P that the PPI policy was optional. Barclays has provided numerous documents which it says support the position that it made the optional nature of the policy clear. However, I can't be sure that any of these documents were used at the time of the call and I don't think that any of the documents make it clear that Barclays told Mr P during the telephone call sale that the PPI policy was optional. The policy was sold in 2009 so I would expect Barclays to have either a call recording or a sales script for the call. It has provided us with neither. This is a shame as these documents would have given me a clearer picture of what was said during the call.

Barclays has argued that various documents were given to Mr P on the day he took out the loan and bought the PPI. It has provided me with a loan agreement, not signed by Mr P that says the loan was "without protection". This seems unusual, given it has also provided a thank you letter apparently showing that Mr P bought PPI on the same day. But these documents were not signed by Mr P and couldn't have been given to Mr P if he bought the PPI over the telephone. I think it is more likely that they were sent to him on the day Barclays tells us Mr P took out the products over the telephone and he received them days later. I think that it is not fair to say that Mr P saw these documents on the day he made the purchase of the PPI over the telephone or that they show he knew he had an option to not buy the PPI on the telephone. On the PPI letter, at the very bottom, I can see that Barclays did write that the PPI was optional but I had to look very hard in the documentation I was sent to find this statement. The thank you letter included a statement of demands and needs but I can't see on this document how Barclays made it clear to Mr P that the PPI was optional. This letter would have been received by Mr P after the time when he was advised

and would have made any decision to buy the policy and so I don't think that this was good enough information for Mr P to have realised he had a choice.

In short, I have no reliable evidence to suggest to me that in this case Barclays made it clear at the time it sold PPI to Mr P on the telephone that the PPI was optional. I accept it's possible that the phone operator may have done this, and Mr P may have agreed to take PPI. But I think it's more likely than not that it wasn't made clear to Mr P that the policy was optional. He tells us he didn't know he had the PPI and on balance, I accept his account.

So because I think this policy was mis-sold, Barclays needs to put things right.

#### **what the business needs to do to put things right**

Barclays should put Mr P in the 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 Barclays should:

- Pay Mr P the amount he paid each month for the PPI
- Add simple interest to each payment from when he paid it until he gets it back. The rate of interest is 15% a year until April 1993 and 8% a year from then on†.
- If Mr P made a successful claim under the PPI policy, Barclays can take off what he got for the claim from the amount it owes him.

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

#### **my final decision**

I uphold this complaint and order Barclays Bank Plc to pay compensation to Mr P as calculated above.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr P to accept or reject my decision before 10 July 2015.

Rebecca Haigh  
**ombudsman**