

## **complaint**

Miss V says The Royal Bank of Scotland Plc (trading as NatWest) mis-sold her a payment protection insurance ("PPI") policy.

## **background**

This complaint is about a PPI policy Miss V bought in 1987 at the same time as taking out a credit card.

I issued my provisional decision in March 2015. I provisionally decided to uphold Miss V's complaint because I didn't think NatWest had done enough to make it clear to Miss V that the PPI was optional.

NatWest responded to my provisional decision by offering to pay Miss V compensation calculated following the method I set out in my provisional decision. Miss V didn't respond.

## **my findings**

I've reconsidered 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 Miss V's case.

As NatWest has agreed to settle this complaint and Miss V hasn't said anything further, I don't think there is any reason to change the findings set out in my provisional decision. So, I'm upholding this complaint because I don't think NatWest did enough to make it clear to Miss V that the PPI was optional.

## **what NatWest should do to put things right**

NatWest should put Miss V in the financial position she'd be in now if she hadn't taken out PPI.

- A. NatWest should find out how much Miss V would have owed when she closed her credit card account if the policy hadn't been added.

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 Miss V owed when she closed her account and what she would have owed if she hadn't had PPI.

If Miss V made a successful claim under the PPI policy, NatWest can take off what she got for the claim from the amount it owes her.

- B. NatWest should add simple interest on the difference between what Miss V would have owed when she closed her account from when she closed it until she gets the refund. The interest rate should be 15% a year until April 1993 and 8% a year from then on.<sup>†</sup>

- C. If – when NatWest works out what Miss V would have owed each month without PPI – Miss V paid more than enough to clear her balance, NatWest should also pay simple interest on the extra Miss V paid. And it should carry on paying interest until the point when Miss V would've owed NatWest something on her credit card. The interest rate should be 15% a year until April 1993 and 8% a year from then on.<sup>†</sup>
- D. NatWest should tell Miss V what it's done to work out A, B and C.

<sup>†</sup> HM Revenue & Customs requires NatWest to take off tax from this interest. NatWest must give Miss V a certificate showing how much tax it's taken off if she asks for one.

### **my decision**

For the reasons I've explained, I uphold Miss V's complaint and require The Royal Bank of Scotland Plc to pay compensation as set out above.

Under the rules of the Financial Ombudsman Service, I am required to ask Miss V to accept or reject my decision before 9 July 2015.

Daniel Sheridan  
**ombudsman**