

## **complaint**

Miss W says Barclays Bank plc ("Barclays") mis-sold her a payment protection insurance (PPI) policy.

## **background**

Miss W bought the PPI policy in 1997 at the same time as she took out a credit card.

The policy cost her 70p for each £100 she owed on her credit card. If she'd successfully claimed on the policy, each month it would've paid out 10% of what she owed on the card for up to 12 months. The policy also included life cover.

Our adjudicator upheld the complaint. She thought that Barclays recommended the PPI to Miss W even though she didn't need it enough to make it worth the cost.

Barclays doesn't agree. It says that the PPI was suitable for Miss W.

## **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 Miss W's case.

I've decided to uphold Miss W's complaint because I don't think Barclays should've recommended the PPI policy to her.

Miss W says that she applied for the credit card and PPI by post. She also says that Barclays didn't give her any advice. Barclays says that Miss W bought the PPI in a branch and that its sales person recommended the policy to her.

Because of what Barclays has told us, I think it did recommend the policy to Miss W. This means Barclays had to consider Miss W's circumstances and whether the policy was suitable for her.

Miss W told us that at the time she bought the policy she was in a job she'd been in for a long time. She also told us that her employer would've paid her for over six months if she couldn't work because of illness or accident and that she had some savings. Taking into account all of the information I have seen about Miss W's circumstances, I think she could've managed without the PPI for long enough not to really need it.

Because of this, I don't think Barclays should've advised Miss W to take out the PPI policy. This means she's lost out because of what Barclays did wrong when it sold the PPI and it should put this right.

I've carefully considered Barclays' comments including those about wanting to see more evidence about Miss W's financial circumstances. But I think that Miss W has shown us enough information about her finances at the time she took out the PPI for me to reach the view that Barclays shouldn't have recommended the policy to her. I therefore still think I should uphold the complaint.

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

Barclays should put Miss W in the financial position she'd be in now if she hadn't taken out PPI. The policy should be cancelled if it hasn't been cancelled already and:

- A. Barclays should find out how much Miss W would owe on her 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.

Barclays should then refund the difference between what Miss W owes and what she would have owed.

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

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

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

### **my final decision**

I uphold this complaint and Barclays Bank plc must pay Miss W fair compensation as set out above.

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

Daniel Sheridan  
**ombudsman**