

Unlike loans, where PPI is normally added on to the loan at the outset and regular monthly repayments (inc PPI) are set out at that time, monthly premiums for PPI are variable and are charged on the stated balance outstanding on the applicable storecard for that month. The higher the outstanding balance on the storecard the greater the monthly charge for PPI (current charge is £0.60 per £100 outstanding stated balance each month). It should also be noted however that should there be no stated balance that month then there is no charge for PPI.

The monthly charge will have been separately detailed on every statement produced since 2006 (unless there has been a nil balance on the account). Furthermore, there have been a couple of price increases since 2006 and these will have been advised each time to all our PPI customers. This gave contact details should you have wished to have queried the policy.

Due to the above information, I do not feel that a full refund of premiums is warranted.

Commission Review

Following a Supreme Court decision, the new rules and guidance published by the Financial Conduct Authority (FCA) means that you may be eligible for redress as a result of the level of commission contained within your PPI policy when it was sold to you and whether this level of commission was disclosed to you. Generally we did not tell PPI customers about our commission as we were not required to.

Having had the opportunity to review your policy I can confirm that under the commission review your complaint has been upheld.

In view of this, I have arranged a payment of £181.58. This letter sets out our final response to the complaint.

In calculating your refund we have reduced your PPI charge by 50% (as agreed with the Financial Ombudsman Service (FOS)) and put your account back into a position that it would have been had the original charge been at this reduced value. We completed this by looking at your account from the day it started until the day it closed and calculated the balance with the reduced PPI cost along with any associated interest and charges. There were some period when your account would have been in credit and as such we have arranged for interest to be paid on this. Since closing your account you have not had this money, therefore we have added interest for that period to compensate you for the loss of money.

Refund of 50% PPI Premiums Paid	£161.19
Interest that has been charged due to PPI being on the account	£507.96
Fees (late payment fee and over limit fee)	£0.00
8% Interest where the account would have been in a credit balance if PPI was not charged	£46.77
8% Interest from account closure to settlement date	£109.77
Total 8% Interest	£156.54
Total Refund	£825.69
Less 20% Withholding tax on 8% interest	-£31.31
Total Amount Payable	£794.38