

Lauren Dixon
Specialist Supervision Division
Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS

25th February 2016

Dear Ms Dixon

FCA Practitioner Panel response to CP15/39: Rules and guidance on PPI complaints

The Panel welcomes the consultation on amending the rules and guidance on PPI complaints. We have encouraged the FCA to collect the views of all stakeholders on this issue, in order to flush out all the issues relating to potential impact on consumers, industry, society and the broader economy, and the Panel has already provided input in the early stages of this work. We fully support the principle of redress where detriment has occurred, but also in bringing the process to a close once all reasonable efforts have been made to address the issue.

Specific comments on questions

Q1: Do you agree with our assessment of the PPI landscape and trends, and that we should now seek to draw the PPI issue to an orderly close through the proposed deadline and proposed consumer communications campaign?

We agree that the proposed deadline and consumer communications campaign would help bring finality and certainty for all involved. The industry has put extensive resources into putting right the detriment caused to consumers and the substantial reputational damage that occurred. It would be good, for all stakeholder groups, to draw it to a close within a realistic timeframe.

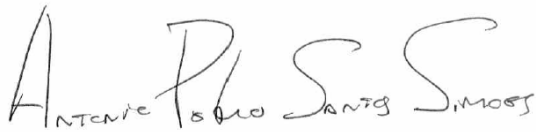
The effect of imposing a deadline for claims will differ depending on where firms are in the redress process – realistically, many will already have dealt with any claims they are likely to receive. The Panel believes the vast majority of those who have a genuine complaint will already have been through the process. For firms who continue to receive complaints, producing records about whether or not PPI has been sold can be difficult, particularly when these relate to events some time in the past. In addition, a system whereby a referral to FOS automatically costs the firm £850, irrespective of whether PPI was even sold by that firm or not, is unfair.

Q16: Do you have any comments on our cost benefit analysis?

We agree with the conclusions of the cost benefit analysis but would add that there is a quantifiable cost to consumers of continuous harassment by claims management companies which imposing a deadline will bring to an end.

For these reasons the Panel supports the proposals in the consultation. We encourage the FCA and other regulators to use the lessons learned from the process to read across to other sectors in future.

Yours sincerely

A handwritten signature in black ink, appearing to read 'ANTONIO SIMOES'. The signature is stylized with large, connected letters.

António Simões
Chair, FCA Practitioner Panel