

ESRO

Financial Conduct Authority Understanding PPI Redress from a Consumer Perspective

CLIENT

FCA

DATE

25 November 15

VERSION

Final

AUTHORS

Becky Rowe
Jenny Holland
Ruby Wootton

Contents

Executive Summary	4
1. Introduction	7
1.1 FCA BUSINESS OBJECTIVES	7
1.1.1 RESEARCH OBJECTIVES	8
1.2 PPI LANGUAGE	8
2. Methodology	9
2.1 RESEARCH METHOD	9
2.2 SAMPLE OVERVIEW	9
2.3 RESEARCH TOPICS	10
3. The current PPI landscape	11
3.1 UNDERSTANDING PPI AND MIS-SELLING	11
3.2 EXPERIENCE OF RECENT COMPLAINANTS	12
3.2.1 Motivations and prompts of recent complainants	12
3.2.2 Experience of making a complaint	13
3.3 THE ROLE OF CLAIMS MANAGEMENT COMPANIES	14
3.3.1 Choosing the complaint channel	14
3.3.2 CMC's shaping perceptions of PPI	16
4. Barriers to making a complaint	19
4.1 Multiple barriers preventing complaints	19
4.2 COMMON BARRIERS	20
4.2.1 Most Common Barriers	20
4.2.2 Fairly Common Barriers	22
4.2.3 Less Common Barriers	24
5. Understanding potential future complainants	26
5.1 UNDERSTANDING COMPLAINANTS	26
5.2 CONSUMER MIND-SETS	29
5.2.1 'On the Brink'	29
5.2.2 'Foggy Finances'	30
5.2.3 'Rational Evaluation'	31
5.2.4 'Moral Grounds'	32
5.2.5 'Disengaged'	32
5.2.6 'Complaint-averse'	33

5.3 LIKELIHOOD OF MAKING A COMPLAINT	34
5.3.1 Likelihood of different mind-sets	34
5.3.2 Levels of encouragement needed	35
6. The challenge of encouraging people to complain	37
6.1 COMPLAINANT NEEDS	37
6.2 TRIGGERING PEOPLE TO MAKE A CLAIM	38
Reactions to suggested interventions	40
6.2.1 Letter from provider	40
6.2.2 Advertising campaign	41
6.2.3 Complaint deadline	42
6.2.4 Making the process easier	44
6.2.5 'Normalising' PPI complaints	45
7. Conclusion	48
Appendix A: Recruitment	52
A.1.1 Recent complainants (46 respondents):	52
A.1.2 Potential future complainants (140 respondents)	53
A2. RECRUITMENT SCREENER	53
Appendix B: Research Approach	64
B.1 QUALITATIVE METHODS	64
Areas covered by discussion guides	64
B.2 NUMERICAL DATA COLLECTION	65
B.2.1 Pre-task	66
B.2.2 Additional data capture	66

Executive Summary

Approximately £44 billion of Payment Protection Insurance (PPI) has been sold since 1990¹. Many PPI policies are known to have been unfairly sold to consumers taking out a range of credit products. Firms have handled over 12.5 million PPI consumer complaints about the sale of PPI, upholding over 70% and paying £19.7 billion in compensation since January 2011². The ongoing scale of the redress programme is of concern to the financial services industry.

This detailed qualitative research study was commissioned by the FCA as part of a wider programme to assess whether the current approach is continuing to meet the objectives of securing appropriate protection for consumers and enhancing the integrity of the UK's financial system. The study sought to obtain a richer understanding of the redress-seeking behaviours of recent PPI complainants (who have made a PPI complaint in the past 12 months) and non-complainants (who are potentially eligible to make a complaint), with a particular emphasis on barriers to action, future trends and potential mechanisms for influencing these. In order to achieve these research objectives, ESRO conducted 20 focus groups and 26 depth interviews.

RESEARCH FINDINGS

The Current PPI Landscape

Respondents were relatively familiar with PPI, across the sample of recent and potential future complainants. Most respondents knew the acronym and spontaneously spoke about mis-selling, which had often been read or heard about in the media. Despite this familiarity, respondents had only limited appreciation for how mis-selling may have taken place in practice.

The main motivation for making a PPI complaint was often new information supplied by a trusted source, such as a close friend or family member. Alternatively respondents were sometimes prompted by a Claims Management Company (CMC) and made their complaint following a high volume of sales calls.

Recent complainants who had made a complaint directly to their provider often found the process simpler and more straightforward than they were expecting. Those who had complained via a CMC recognised the benefit of the company's support in making multiple complaints. There were a number of respondents who did not know they were able to complain directly to their provider, and assumed CMC involvement was essential.

The findings suggested that CMCs had strongly influenced respondents' understanding of PPI and the process of making a complaint. They deterred many potential future complainants from pursuing complaints because they (inadvertently) encouraged a belief that PPI redress-seeking was a 'scam' through their persistent phone calls and encouragement to complain.

¹ http://www.publications.parliament.uk/pa/jt201314/jtselect/jtpcb/27/27ix_we_j12.htm

² <https://www.fca.org.uk/consumers/financial-services-products/insurance/payment-protection-insurance/ppi-compensation-refunds>

Barriers to Making a Complaint

The research uncovered a wide range of barriers that were preventing potential future PPI complaints. Consumers typically were inhibited by a *combination* of issues rather than any one barrier in isolation. In most instances, the resolution of one reservation had only served to shift the consumer's justification for not complaining onto the next barrier.

The most common barriers, experienced by a large majority of respondents, related to memory, understanding of eligibility, the perceived effort needed to make a complaint, limited understanding of the process and mistrust of firms.

Fairly common barriers included confusion regarding the PPI landscape, complex personal financial histories, the perceived stigma attached to PPI complaints, and the issue simply not being a personal priority.

Barriers that arose less frequently, and were experienced by fewer participants, included respondents sometimes feeling a strong moral stance against making a complaint, having broken relationships with their providers, or perceiving that there were negative repercussions to making a complaint (such as damaging their relationships with credit providers).

Understanding Potential Future Complainants

While it is difficult to make a clear assessment of the distribution of remaining PPI complaints, many recent and potential future complainants remembered additional policies during the discussion group or interview. The overall impression was that the remaining pool of redress funds may include a significant number of smaller value complaints that are not top of mind. This is not to say that there are no larger value complaints to be made, in particular for individuals who may continue to struggle to remember any of their PPI policies.

It also became clear that potential future complainants could be categorised into one (or more) of six distinct mind-sets, often aligning with a dominant set of barriers that have thus far prevented them from making a complaint. These mind-sets included respondents who: were '*on the brink*' of complaining, had '*foggy finances*', had made a '*rational evaluation*', had strong '*moral grounds*' for not complaining, were '*disengaged*' and were '*complaint-averse*'.

Each of these mind-sets demonstrated different degrees of likelihood of complaining in the near future. As a result, they may require a different degree of support or encouragement to make a complaint. For those with a '*moral stance*', for example, there were simple pieces of information about PPI mis-selling that could easily shift their perspective. On the other hand, those with '*foggy finances*' seemed to need far more significant practical support to remember and manage multiple PPI policies and potential complaints.

The challenge of encouraging people to complain

Any attempt to trigger future complaints will be challenging, with diverse and interlinked barriers posing significant obstacles. The research did illustrate, however, that one of the most powerful drivers of actions among respondents was the receipt of ‘new news’ – particularly where such information came from a trusted personal source (e.g. close family member, friend). The research demonstrated that with persistent and continuous ‘new news’, delivered in a compelling and personally relevant way, potential non-complainants had the potential to positively alter their likelihood to complain.

The research tested and generated a range of potential interventions by which barriers to complaining may be overcome. Direct contact from firms was considered a very appealing option, especially if this could confirm eligibility and the amount of redress to which they were entitled, however consumers recognised there may be practical difficulties with this option. A very commonly suggested idea was an advertising campaign designed to challenge assumptions and deliver more accurate news about the complaints process and eligibility. Respondents recognised that it would need to cut through CMC advertising and direct tele-marketing in order to properly engage them. Other respondents felt like there were opportunities to make the process simpler and easier especially for those with multiple policies, and therefore multiple potential complaints.

Many respondents, especially those who already had the intention to complain (‘on the brink’), also felt a three-to-five year deadline would be reasonable and fair. Respondents often felt that a two-year deadline would be fairer than a one-year deadline, but would have preferred more time. This would provide enough opportunity to explore their PPI situation in more detail before making their complaint, while also offering a window for support to be offered to those with multiple complaints. A popular means of achieving the latter was felt to be a centralised website, which would not only help consumers to make and manage complaints, but also trigger recall of older products and reconnect consumers with firms which may have sold them PPI.

A particular aspect of the challenge regarding PPI redress involves how people may be encouraged to make complaints when smaller values are at stake. Making these cases feel more worthwhile could be achieved by re-anchoring expectations to lower values (i.e. in the £100s rather than £1000s, as is the typical benchmark at present), or doing more to focus on the high success rates for complaints.

1. Introduction

Approximately £44 billion of Payment Protection Insurance (PPI) has been sold since 1990³. Many PPI policies are known to have been unfairly sold to consumers taking out a range of credit products. After the 2011 High Court ruling, the regulator focussed on ensuring that firms handled PPI complaints fairly and that complainants received fair redress where appropriate. Media coverage at the time raised awareness and prompted a rise in complaints. Since then, monthly complaint figures have steadily declined. However there remains a significant population of potentially eligible consumers who have not yet complained. The uncertainty surrounding the mis-selling of PPI, in particular in relation to the scale and longevity of the issue, is of concern to the FCA. As it is a number of years since the PPI complaints process was established, the FCA has decided it is an appropriate time to assess whether the current approach continues to meet the objectives of securing appropriate protection for consumers and enhancing the integrity of the UK's financial system.

1.1 FCA BUSINESS OBJECTIVES

In January 2015, the FCA announced it would gather evidence to assess whether the current approach continues to meet the objectives of securing appropriate protection for consumers and enhancing the integrity of the UK's financial system. A key part of this involved the exploration of potential measures (e.g. consumer communication campaign, deadline, innovations in rules or guidance) and gaining further insight into consumer understanding and behaviour.

In particular, the FCA has sought to:

- Review the current PPI strategy to establish whether further interventions may be appropriate, or whether a continuation of the PPI scheme in its current form will satisfactorily meet objectives.
- Uncover barriers to complaining and explore possible methods of encouraging dissatisfied PPI customers to seek redress. .

³ http://www.publications.parliament.uk/pa/jt201314/jtselect/jtpcb/27/27ix_we_j12.htm

1.1.1 RESEARCH OBJECTIVES

This report details the qualitative research conducted by ESRO in spring 2015 to support the FCA in meeting these business objectives. The study aimed to better understand the behaviours of PPI complainants and non-complainants, and translate this into predictive insight regarding likely future trends.

To achieve its goals, the research aimed to generate a nuanced understanding of:

- Levels of awareness and understanding of PPI, mis-selling and redress-seeking processes across a wide range of relevant consumer groups.
- Motivations and experiences of existing PPI complainants.
- Barriers to complaining among potential eligible complainants.
- The reception and likely impact of potential FCA-led interventions.

The views expressed in this report are those of the authors and not necessarily those of the FCA, nor do they reflect FCA policy or constitute guidance to firms.

1.2 PPI LANGUAGE

Through this report, we will be using the term ‘complaint’ and ‘complainant’ in relation to the process of seeking PPI redress. This language is consistent across the FCA and firms when discussing PPI.

It should be noted, however, that few respondents used this language in the discussions about PPI. Consumer discourse on the subject commonly mentioned ‘claims’ or ‘reclaims’ – influenced by Claims Management Company (CMC) advertising and trusted sources such as Martin Lewis and the MoneySavingExpert website.

“Reclaim PPI for free”

- *MoneySavingExpert*^d

2. Methodology

2.1 RESEARCH METHOD

The methodology for this research was qualitative and involved both depth interviews (2 hours) and discussion groups (90 minutes). Fieldwork was divided into two waves: Wave 1 with recent PPI complainants and Wave 2 with potential future complainants. Fieldwork was conducted throughout March and April 2015, during which time ESRO interviewed 186 individuals. The respondents were recruited through free-find methods.

During the qualitative research process, the research team also gathered some numeric data. This included:

A short questionnaire, circulated as a 'pre-task' ahead of fieldwork proper. This included a personality test, using the 'big 5' variables commonly used to understand personality along with some questions about their understanding of PPI and eligibility.

Three short tasks completed during the main fieldwork, that sought to better understand the respondents' intention to complain and the factors that influenced this.⁴

2.2 SAMPLE OVERVIEW⁵

In the first wave of the research, the fieldwork sample included individuals who had made PPI complaints in the previous 12 months ('recent complainants'). This included respondents that had used a CMC, and those that had complained directly to their credit provider.

For Wave 1, fieldwork included:

- 14 x two-hour depth interviews
- 4 x 90-minute discussion groups

In the second wave, the sample included individuals who thought that they were eligible to make a PPI complaint ('potential future complainants'). The research team did not seek to clarify the validity of these potential complaints prior to the fieldwork.

Within this structure, the sample included respondents with varying degrees of certainty regarding the legitimacy of their complaint, along with varying degrees of likelihood to make a complaint.

For Wave 2, the fieldwork included:

- 12 x two-hour depth interviews
- 16 x 90-minute discussion groups

⁴More detail on the numeric fieldwork tasks can be found in Appendix B. 'Numerical data' is mentioned throughout the report (where applicable) and has been gathered from either of these exercises.

⁵More detail about the sample structure and recruitment can be found in Appendix A

The sample included a spread of different people (age, gender and SEG) from across the UK (including all four nations). We also had a spread across levels of financial capability based on their own self-assessment.



Figure 1: Fieldwork locations

2.3 RESEARCH TOPICS

The research covered a number of thematic areas in relation to respondents' experiences of seeking PPI redress. These included:

- Financial situation
- Attitudes to complaining
- Understanding of PPI
- Awareness of PPI mis-selling
- Expectations of the PPI complaint process
- Experiences of PPI complaints
- Barriers to complaining about PPI
- Overcoming barriers to complaining about PPI
- Feedback on intervention ideas
- Potential further intervention ideas

3. The current PPI landscape

3.1 UNDERSTANDING PPI AND MIS-SELLING

Across the sample, awareness of PPI was high, with a fairly good understanding of the purpose and nature of this type of insurance policy. Almost all respondents recognised the acronym and knew what it stood for. The majority, but not all, understood that it refers to insurance taken out on credit products to cover payments when sick, or otherwise out of work.

Nonetheless, there were some variations in awareness and knowledge. Among recent complainants, individuals who had done so via a CMC seemed to have the least understanding, frequently using this to justify their decision to use a CMC. Those who had complained directly to their lender typically had greater knowledge about PPI.

The notion of PPI mis-selling was common knowledge and was often spontaneously introduced by respondents during fieldwork. However, many had a limited understanding of what ‘mis-selling’ meant in practice. There was a specific knowledge gap regarding the issue of suitability - specifically, the possibility that a PPI policy might have been sold that was inappropriate for a consumer’s specific circumstances and needs. Instead, many assumed mis-selling was exclusively related to the contact they had had with sales staff (e.g. high pressure sales tactics or a lack of clear information about exclusions).

“There was lots of mis-selling around PPI. The banks were making people take it out and putting it on to loans and stuff without telling anyone it was there.”

- Potential future complainant, Birmingham

Participants also often primarily focused on personal loans and credit cards, and awareness of PPI in relation to other credit products (e.g. mortgages, overdrafts and store cards) was significantly less common.

3.2 EXPERIENCE OF RECENT COMPLAINANTS

An important element of this research was understanding the experience of making a complaint from the perspective of those who had recently done so (i.e. in the past 12 months).

3.2.1 MOTIVATIONS AND PROMPTS OF RECENT COMPLAINANTS

The main prompt for recent complainants was the receipt of new information about PPI from a trusted source. This was often close, person-to-person contact (e.g. a memorable conversation, or direct persuasion by a close friend or family member). These experiences offered credible information about the benefits of complaining, as well as clarity on what exactly the process entails.

“My sister made her complaint and then was telling me how easy and quick it is to just call my bank about it. She really brought home that I could do it myself. It was all just too confusing before”

- Recent complainant, London

Those who made their complaint via a CMC were often prompted to do so by heavy and persuasive marketing tactics; many engaged only after turning away multiple companies. Successful CMC sales pitches invariably involved a more personal approach – typically person-to-person telephone conversations (rather than automated calls), or even face-to-face contact (e.g. at ‘pop-up’ CMC stalls in a shopping centre).

“After I’d had so many calls, just one day I thought I’d give one of them a chance and hear what they have to say.”

- Recent complainant, Manchester

A smaller group of respondents made complaints after receiving a letter from their credit provider that invited them to do so. For most of these people, this was taken as credible and incontrovertible evidence that they were owed redress – a strong trigger to complaining, which they followed up promptly. However there were also some respondents who received similar letters and chose not to follow it up. These individuals often confused such communications with other marketing material from their provider, and therefore did not trust them.

A minority of complainants acted on a strong moral sense of injustice, having read about the subject of mis-selling. In these cases, they often conducted research about how to make a PPI complaint, using what they deemed to be trustworthy sources of information (e.g. Martin Lewis) to learn the details. These people almost always made their complaint directly to their credit provider.

Finally, a very small number of respondents were obliged to make PPI complaints as part of a debt management arrangement with an IVA. These respondents had not had any determination to make a complaint prior to this situation. They tended to be less interested in the outcome (i.e. redress).

3.2.2 EXPERIENCE OF MAKING A COMPLAINT

Few respondents took much time to check whether they had PPI prior to making their complaint. This was often because they no longer had any paperwork related to the policy or the credit product. Many were unclear what they were looking for and what was considered as sufficient evidence of holding PPI. For those who did, they either searched old statements related to their credit product for evidence of PPI, or they called their providers and asked directly.

The experience of making a complaint varied between those who complained via a CMC and those who complained direct to their provider. Respondents who made a single complaint directly to their provider were often surprised by the speed and ease of the process. Some made their application in writing, completing the paper form even when they perceived them as lengthy. Others telephoned their provider to enquire about making a complaint. Both options were felt to be acceptable, but many acknowledged that the process could be more arduous for individuals making multiple complaints, especially if they are to different providers.

Only in a few cases had respondents' cases taken a lot of time or effort to resolve. These individuals had typically been to the Financial Ombudsman Service to have their complaint settled after many months of investigation by their credit provider.

For the respondents who complained via CMC, they often agreed to make a complaint during a marketing call; only a small minority actively searched for a CMC to make a complaint on their behalf. During their initial contact with the CMC, respondents had been required to answer a number of practical questions about their financial situations. A few respondents discussed being put through to their credit provider by the CMC, who remained on the line during the phone call. Their perception was that the CMC listened in to gather personal information in order to prevent respondents needing to complete paperwork themselves. Most then received forms in the post which, once signed, would enable the CMC to act on their behalf. Those who complained via a CMC (in particular those with multiple complaints) were left with the impression that the company had conducted a lot of work on their behalf. Many of these respondents would have preferred not to pay the commission or CMC fees, but felt it was reasonable to pay for the work the CMC had completed.

The loss of redress to commission often felt less significant because few respondents registered a transfer of money to pay the CMC for their services (the respondents often believed the CMC fee had been deducted from their redress payment). In addition, PPI was regularly perceived as an unexpected windfall, rather than compensation or a refund that they were owed. Most said that receiving their redress rarely felt like they were getting an owed refund, often because of the time delay between paying PPI and/or uncertainty about their eligibility prior to making their complaint.

"They just send you this cheque in the post and it's just like...free money! I mean, I know that technically they're paying me back. But I really wasn't expecting this money, it just doesn't feel like a refund."

- Recent complainant, London

The amounts of redress received varied greatly across the sample, with the majority of respondents receiving £100 - £500 for individual complaints. The full spectrum of complaints reported in the research ranged from £3.14 to over £10,000. While many used the redress to pay off debts, everyday bills, or to supplement savings, others had spent the money on holidays or other luxuries.

In the case of a successful complaint, most respondents received a letter of confirmation from their credit provider, followed by a cheque in the post. Among those whose cases had not yet been settled, some knew that their complaints remained unresolved, while others were unsure as to whether their case had been completely rejected or the process was ongoing. This was often because they had heard nothing further from either a CMC or their provider over the following months or years. None of the respondents had been given any information about why they were rejected. This had left them in limbo, uncertain if they had indeed been unsuccessful or if there had been a clerical error (e.g. if their application had gone missing). This uncertainty made it unclear how to proceed and many felt they would not attempt to make any further complaints. It also makes it very difficult to overcome this barrier, as consumers would be unable to disentangle their situation.

3.3 THE ROLE OF CLAIMS MANAGEMENT COMPANIES

3.3.1 CHOOSING THE COMPLAINT CHANNEL

Across the sample of recent complainants, respondents who felt confident they had been mis-sold PPI were more likely to complain direct to their credit provider. They also tended to have greater confidence in their financial understanding, along with greater financial capability. This was true of the qualitative and the numerical data, where recent complainants who had complained directly to their lender were more likely to report confidence in having PPI and rate themselves as having a good understanding of PPI. This was in comparison to those who complained via a CMC, who were less certain of their PPI eligibility (i.e. whether they had PPI at all, if it was mis-sold, or if they had grounds to complain).

Those who did complain via a CMC appeared to have more complex financial situations: a diversity of credit products with a greater number of financial providers. Numerical data showed that those complaining about two or more products were more likely to have done so via a CMC. In contrast, those who complained directly typically had ongoing, long-term relationships with a recognised high street bank or provider. This was also supported by the numerical data.

Sean, Recent Complainant

Sean, aged 50, is self-employed and lives in a town outside of London. His life has been quite turbulent – he has recently got divorced, he is trying to sell his house and move, and has recently set-up his own business. He feels like his time is busy and stretched. Sean does not see himself as a ‘complainer’, but recognised that he would not “sit back” if things went really wrong.

In the past, when he was married, Sean had various credit cards and loans. When he was recently going through and discarding some of his old paperwork, preparing to move house, a TV advert for a CMC was on in the background. The advert mentioned that the CMC could do all the work for him, that it could include all the old policies almost 20 years old and that they would make it easy for him. With all the news about PPI, Sean had been thinking about it a bit, but had never seriously considered it.

He called the company on the advert and made an enquiry about what he had to do. He made it clear that he had “no idea” whether or not he had PPI and no longer had any paperwork about the credit products. The company made multiple complaints on his behalf, based on the information he could remember about a number of products.

Sean received redress for two of his old credit cards totalling £400. He paid £90 in fees. Sean was really happy with the service he received from the CMC.

“The staff were really pleasant and helpful, they did all the hard work for me. They managed to persuade the bank to get me some money back.”

The appeal of CMCs

CMC advertising and marketing seemed to promote the notion that their services made it easier to make multiple complaints and resolve uncertainty in terms of which credit products had PPI attached. Respondents also reported that CMC communications emphasised the effort required to make a complaint directly.

“I was worried it would be a lot of hassle. But the guy was just telling me how much easier it would be for him to help. He was being really nice, trying to take away some of the workload.”

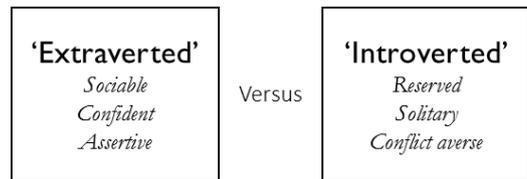
- Recent Complainant, Belfast

The individuals with complex financial situations and who had, currently or historically, a greater number of credit products, often reported a greater volume of targeted CMC marketing and cold calls. Many of the recent complainants who had complained via a CMC spoke about the sheer volume of telephone calls, automated calls, emails and texts they received. This was often higher than the numbers experienced by respondents who complained directly to their credit provider.

“I really do think the number of phone calls I get about PPI is like...harassment! I feel like they’re harassing me!”

- Recent complainant, London

Many recent complainants felt that in order to go direct to a provider they would need to be very confident and assured of their PPI complaint. This was based on the assumption that they might need to be assertive and defend their position – a prospect at which many felt uncomfortable. The pre-task responses detected a propensity for those who used a CMC to exhibit slightly lower levels of extraversion than those who went direct to lender. This suggests a preference for a less confrontational or assertive route to making their complaint. CMC advertising and communications were seen to reinforce the perception that complaining directly is difficult, making it less appealing to more introverted and unconfident individuals.



3.3.2 CMC'S SHAPING PERCEPTIONS OF PPI

While potential future complainants had occasionally heard or read about PPI in the media, the driving force of knowledge and understanding appeared to be CMCs. Their advertising and direct contact (e.g. telephone calls) had led to widespread confusion and misconceptions about the PPI complaints process. Some respondents felt PPI complaints were indistinguishable from CMCs, perceiving them to be tantamount to the same industry. In addition, potential future complainants sometimes struggled to differentiate PPI from other types of insurance or other claims processes, based on CMC language. This included, for example, confusion about the difference between PPI and Card Protection Insurance.

Misconceptions regarding timescales and other technical details also appeared to be driven by CMC advertising and marketing. For example, a number of respondents revealed how CMCs had implied that there was an impending deadline, evidently hoping to encourage complaints which would then be made via their services. Finally, CMCs insinuated that the process of making a complaint directly to a provider was arduous and difficult in order to sell their services. They seemed to suggest that the chance of receiving redress without the intervention and authority of a CMC was unlikely.

Association with scams

The volume and variety of information coming from CMCs meant respondents struggled to know what to trust. The seemingly synonymous relationship between PPI complaints and CMCs led many potential future complainants to believe that PPI was a scam⁶, and that the process was characterised by the 'kinds of consumers' who make a high volume of unnecessary complaints and claims.

"You get bombarded by these phone calls about PPI."

- Potential future complainant, Manchester

The number and diversity of CMCs operating in the market also made it difficult for respondents to differentiate between those with higher or lower reputations and operational standards. Respondents struggled to establish if a CMC was operating, for example, by contacting everyone with a mobile phone or using more targeted and personal information. They were often cynical and associated all CMCs with those attributes they found most suspicious. This meant the CMC industry had broadly negative and untrustworthy connotations.

"The nuisance calls, texts and messages, it gives a kind of scammy feel to the whole thing."

⁶ These are the views of the consumers who took part in our qualitative research and do not necessarily represent the views held by the FCA.

CMCs were frequently compared with Injury Lawyers and inappropriate redress-seeking behaviours more widely, giving the whole subject a distasteful tone. This not only reduced their trust in the companies themselves, but also extended to perceptions of the types of people that might use CMCs. Respondents who had not used a CMC were reluctant to be seen as litigious people, just as they would feel embarrassed about a 'questionable' whiplash insurance claim.

"I used to get text messages like 'You have got PPI' and I used to think it's the same thing as 'have you been in an accident?'. So I just ignored them because there's always so many of these things coming through like spam."

- Potential future complainant, Manchester

The association with scams meant some respondents did not believe there was a good prospect of receiving redress. Many potential future complainants felt that redress was unlikely to come without some negative repercussions, although many struggled to articulate what these might be.

"I just think it sounds like it's all a bit too good to be true. I can't believe they're just going to pay me this money. There's got to be a catch."

- Potential future complainant, Birmingham

This meant that potential future complainants often perceived a certain degree of risk associated with making a complaint. Risks included, for example, the potential to be exploited by a CMC, or to become a victim of data privacy breaches.

Altogether, there was often a layer of stigma surrounding PPI and making a complaint. Respondents were reluctant to associate themselves with the disrepute regarding CMCs, and making a PPI complaint was generally seen as a litigious activity, conducted by belligerent individuals who make frequent claims or complaints in order to get something in return.

"I wouldn't complain for the sake of it or for minor or for trivial things. I only make a complaint when it's really worth it."

- Potential future complainant, Birmingham

Summary

Respondents were relatively familiar with PPI, across the sample of recent and potential future complainants. Most respondents knew the acronym and spontaneously spoke about mis-selling, which had often been read or heard about in the media. Despite this familiarity, respondents had only limited appreciation for how mis-selling may have taken place in practice.

The main motivation for making a PPI complaint was often new information supplied by a trusted source, such as a close friend or family member. Alternatively respondents were sometimes prompted by Claims Management Company (CMC) and made their complaint following a high volume of sales calls.

Recent complainants who had made a complaint directly to their provider often found the process simpler and more straightforward than they were expecting. Those who had complained via a CMC recognised the benefit of the company's support in making multiple complaints. There were a number of respondents who did not know they were able to complain directly to their provider, and assumed CMC involvement was essential.

Findings suggested that CMCs had strongly influenced respondents' understanding of PPI and the process of making a complaint. They deterred many potential future complainants from pursuing complaints because they (inadvertently) encouraged a belief that PPI redress-seeking was a 'scam' through their persistent phone calls and encouragement to complain.

4. Barriers to making a complaint

The research uncovered a wide range of barriers that had prevented respondents from making PPI complaints. These were not solely evident among the potential future complainants. The recent complainants had also been slower at making a PPI complaint in comparison to those who complained promptly between 2011 and 2013. This meant that the research was able to explore what issues had previously inhibited individuals from making their complaint – and compare these with those which are still preventing others from taking action.

4.1 MULTIPLE BARRIERS PREVENTING COMPLAINTS

The overall likelihood that an individual would complain was directly related to the number and significance of the barriers they faced. Respondents rarely experienced barriers in isolation; instead a combination of multiple issues had prevented them from making a complaint.

There was rarely a simple answer that would encourage future complainants. Addressing one, often dominant barrier, had often simply shifted respondents towards a different barrier, rather than prompting a complaint. This is demonstrated by Kelly's experience below.

Kelly, Potential Future Complainant

Kelly is 36 and lived in Birmingham with her 12 year old daughter Ellie. She worked locally as a counsellor and felt reasonably in control of her finances.

Kelly had several credit cards and a personal loan in the early 2000s when she acquired quite a significant amount of debt following the breakdown of her relationship.

One of her colleagues suggested she should check whether she was eligible for PPI on any of the cards because their aunt recently had a 'windfall' of £3500.

Barrier 1 (unsure of eligibility): Kelly had no idea if there was likely to be PPI on any of her older credit products. She did not remember it being mentioned to her, although she was aware that it was in the news for a few years.

Barrier 2 (perceived effort): Without any clarity of how much money she could get, Kelly was reluctant to invest much time in trying to decide if she was eligible and find details of her PPI. She had shredded the paperwork a few years earlier as she had been keen to let go and forget that difficult and stressful part of her life.

Barrier 3 (mistrust of firms): Without being able to check records herself, Kelly felt that she'd probably have to contact old creditors to find out whether she had PPI on any products. She assumed they would not make that process easy for her given they might owe her redress.

Barrier 4 (stigma of being a complainer): Kelly was not sure she was willing to 'chase' her old PPI even if she did find evidence of it. The idea of having to confront old creditors was concerning; she was worried that the phone operators might judge her for chasing redress and that she'd have to justify her complaint over the phone. She did not feel confident doing this.

All of these four barriers together were making Kelly feel more or less resigned to never following up her PPI complaint. Even if she did come across firm evidence supporting her case, Kelly perceived she would then be deterred by the daunting prospect of speaking to her old creditors.

4.2 COMMON BARRIERS

Some barriers were more common than others across the research.

At a general level, the societal shift towards digital banking meant individuals had fairly limited personal contact with their bank and other financial service providers. Many were using online banking and smartphone apps on a day-to-day basis as their predominant means of managing money. As a result, many felt that the only time they had face-to-face or telephone contact with their bank was when problems arise – meaning that this mode of communication was often inherently associated with negative circumstances, and thereby compromising the effectiveness or attractiveness of marshalling a PPI complaint in this way.

“The only time I really call my bank or go to the branch is when I’ve had things go wrong, like when I’ve lost my card once. Or a few weeks ago I had to because there was a charge on my account and I didn’t know what it was for.”

- Recent complainant, Belfast

4.2.1 MOST COMMON BARRIERS

The following table documents the most widespread barriers we identified; all of them were equally as common as each other. All respondents had experienced at least one of these.

CLUSTER	BARRIER	DETAIL
Memory	Poor recall of products and / or PPI	<ul style="list-style-type: none"> ■ Remembering all the credit products they have or had was a struggle for many respondents. This was particularly difficult for individuals who borrowed greater sums of money from credit providers in the past. ■ Memory challenges concerning whether they had PPI on credit products meant that most respondents felt uncertain about whether they were eligible to complain.
	Poor recall of the sales process	<ul style="list-style-type: none"> ■ Many felt unconfident about their ability to make a complaint because they could not clearly remember the sales process associated with PPI. ■ There was a strong belief that consumers needed to be able clearly to articulate issues that arose when they had spoken to staff during the sale of PPI, regardless of how long ago the situation had occurred. ■ Respondents’ hesitation was often caused by a concern that they may have ticked a box to say they were happy to have PPI on their product.
Failure to understand own eligibility	Unsure of own eligibility	<ul style="list-style-type: none"> ■ Across the whole sample there was a lack of clarity about what constituted eligibility to make a PPI complaint. ■ Many respondents struggled to self-identify as eligible to make a complaint. They often did not understand how they would <i>know</i> whether they were eligible.
	Lack of understanding of eligible product types	<ul style="list-style-type: none"> ■ Many respondents held a relatively narrow view of what financial products were associated with PPI, often limited to personal loans and credit cards. ■ Only some respondents knew that PPI was also associated with mortgages and even fewer knew about overdrafts or other credit products, such as store cards. ■ A few respondents were unclear that PPI was only related to credit products, believing that it was connected to other financial products (e.g. insurance).
	Confusion regarding timelines	<ul style="list-style-type: none"> ■ Most respondents felt very confused about the timeframes in which PPI had been mis-sold. A small minority had a clear idea that the

	for PPI mis-selling	<p>practice spanned mainly 1990 to 2010.</p> <ul style="list-style-type: none"> ■ A misconception held by some was that PPI complaints could only be made on credit products that were taken out in the previous seven years. Some felt that this was a common issue with finances, related to how long providers store data.
	Previous rejection on a PPI complaint	<ul style="list-style-type: none"> ■ A small number of respondents had made at least one PPI complaint in the past which had been rejected by their bank or credit provider. These individuals now believed that they were not eligible for any PPI redress. ■ None of the respondents fully understood why their complaint had been rejected because they felt they had not received a clear message from their bank or provider. ■ These respondents therefore felt they did not know if they had been correctly or incorrectly rejected by their credit providers.
	Confusion with other types of claims cover	<ul style="list-style-type: none"> ■ Some respondents confused PPI with similar sounding insurance or financial claims processes with which they were familiar. Card Protection Insurance (CPI) was the most common point of confusion.
Perceived effort needed to make a complaint	Assumption each complaint will take a long time to be resolved	<ul style="list-style-type: none"> ■ Most respondents assumed that the PPI complaints process would require a lot of time and effort to complete. This was felt to be persistently communicated by CMCs in their advertising and marketing language, either on the phone or on TV.
	High time demands on complaints for multiple products	<ul style="list-style-type: none"> ■ For the numerous respondents who thought they had multiple eligible complaints, there was a perception that it would take a significant amount of time to complain directly to each lender. ■ A greater number of credit providers and multiple complaints for each often meant the prospect of making PPI complaints was seen as a laborious task.
	Perception of low redress amount	<ul style="list-style-type: none"> ■ All potential future complainants struggled to estimate the level of redress they may be due. ■ The sums quoted by CMC marketing often anchored expectations to amounts in the thousands. If they felt it was likely they were owed less than these averages, most respondents perceived this as a relatively 'small' amount. ■ For many respondents, a potentially 'low' redress amount was most problematic when it was felt to be disproportionate to the time and effort needed to make a complaint.
	Previous negative experience of PPI complaints process	<ul style="list-style-type: none"> ■ Some respondents had tried to make a PPI complaint in the past and had a negative experience or knew someone who not had a simple or positive experience. ■ Previous negative experiences, such as lengthy resolution processes lasting up to a year, had distorted some respondents' outlook on the ease or difficulty of future applications
Limited understanding of the complaints process	Unaware of ability to make the complaint direct to lender ⁷	<ul style="list-style-type: none"> ■ Many potential future complainants were not aware that they could make a complaint direct to their credit provider. This was often because respondents understood 'PPI claims' to be synonymous with CMCs. ■ Those who were aware often struggled to know how and where to begin the process. Many respondents felt unconfident about approaching their credit provider directly.
	Insufficient evidence of products and mis-selling	<ul style="list-style-type: none"> ■ Almost all respondents struggled to find the paperwork associated with PPI, and many assumed it was required as part of the process. ■ Many felt pressure to have clear written evidence demonstrating they had been mis-sold PPI. They rarely understood that the mis-selling was likely to have happened on the telephone or in person. ■ Not having clear evidence or information made many respondents

⁷While it would in practice be possible to make a complaint directly to a lender or broker, no respondents within our sample discussed the potential to make a complaint to a broker of their PPI.

		feel unconfident about their eligibility.
Mistrust of firms	Perceptions of uncooperative firms	<ul style="list-style-type: none"> ■ It was a common belief among respondents that credit providers would make it difficult and complicated to seek PPI redress. This was driven by a strong perception that it was not in their interest to encourage complaints and thus redress. ■ None of the potential future complainants were aware of the specialist departments within firms that have been established to handle PPI complaints. ■ Many believed credit providers would strongly challenge their account and add unnecessary hurdles to the process of making a complaint.
	Negative experiences of comparable financial processes	<ul style="list-style-type: none"> ■ Many assumed that PPI complaints would be similar to other financial tasks (e.g. product applications) and believed credit providers would make the process more difficult than necessary. ■ Almost everyone in the sample regarded the full range of consumer-facing financial processes as laborious and complicated. Respondents often associated banking with a lot of bureaucracy and paperwork, making tasks unnecessarily complex for consumers. ■ For some, these concerns derived from experiences of important paperwork being lost in the post; for others, it was the complex application forms for a new credit card.
	Perception that firms should take responsibility	<ul style="list-style-type: none"> ■ The ideal scenario for many respondents saw firms being more proactive in paying back the owed redress; it should not be the consumer's responsibility to initiate the process. ■ Some struggled to understand why it was problematic for their bank or provider to simply send them a cheque for the relevant amount.

4.2.2 FAIRLY COMMON BARRIERS

The next set of barriers was found to be common as a significant proportion of the respondents spoke about these across all of the discussion groups and depth interviews. They were less dominant than those mentioned in 4.2.1.

CLUSTER	BARRIER	DETAIL
Confused by the PPI landscape	Lack of understanding of 'mis-selling'	<ul style="list-style-type: none"> ■ It became apparent during the research that respondents had a limited understanding of the term 'mis-selling'. Most respondents defined the phenomenon solely in terms of their interactions with staff during the sales process. ■ Few, if any, understood that there were potential issues with suitability, for example, where the PPI was sold with exclusions that made it inappropriate for the consumer's personal situation.
	Perception that PPI complaints are a scam	<ul style="list-style-type: none"> ■ CMC advertising has meant that, for some respondents, PPI complaints are part of a culture of inappropriate redress-seeking. ■ Many felt that PPI complaints were therefore a scam rather than a legitimate entitlement. In these circumstances, respondents were quick to dismiss their own eligibility.
Complex Financial History	Difficulty identifying PPI within complex financial histories	<ul style="list-style-type: none"> ■ A significant number of the respondents had complex financial histories, with multiple lending streams and debts. ■ Within this context, PPI felt buried amid a multitude of other financial products. Respondents often struggled to identify when they had borrowed money, which lenders they had used, and whether PPI was attached. ■ These respondents often felt there was a high volume of variables they had to consider and decipher before they were able to make their PPI complaint.

	Association with difficult personal history.	<ul style="list-style-type: none"> ■ For a few respondents, PPI policies were on products which they associated with challenging periods of their lives (e.g. joint policies with ex-partners). 								
	Association of PPI with unpaid debt	<ul style="list-style-type: none"> ■ A small number of respondents knew that they had PPI attached to a debt which they had not fully repaid. They were not willing to approach providers as they thought it would cause negative repercussions. 								
Stigma of making complaints	Perceived need to be assertive	<ul style="list-style-type: none"> ■ For respondents who believed firms would be uncooperative, there was often a subsample who thought they would have to be more forceful and push themselves out of their comfort zone. Some simply were not prepared to initiate or be involved in a dispute about PPI. ■ In the numerical data, those who were least likely to complain tended to be more introverted; it is possible that the ‘pushiness’ that is perceived to be required when complaining deters some, more introverted consumers. <div style="text-align: center;"> <table border="1" style="display: inline-table; margin-right: 20px;"> <tr><td style="text-align: center;">‘Extraverted’</td></tr> <tr><td style="text-align: center;"><i>Sociable</i></td></tr> <tr><td style="text-align: center;"><i>Confident</i></td></tr> <tr><td style="text-align: center;"><i>Assertive</i></td></tr> </table> Versus <table border="1" style="display: inline-table;"> <tr><td style="text-align: center;">‘Introverted’</td></tr> <tr><td style="text-align: center;"><i>Reserved</i></td></tr> <tr><td style="text-align: center;"><i>Solitary</i></td></tr> <tr><td style="text-align: center;"><i>Conflict averse</i></td></tr> </table> </div>	‘Extraverted’	<i>Sociable</i>	<i>Confident</i>	<i>Assertive</i>	‘Introverted’	<i>Reserved</i>	<i>Solitary</i>	<i>Conflict averse</i>
	‘Extraverted’									
<i>Sociable</i>										
<i>Confident</i>										
<i>Assertive</i>										
‘Introverted’										
<i>Reserved</i>										
<i>Solitary</i>										
<i>Conflict averse</i>										
Perception of self as not a ‘litigious’ person	<ul style="list-style-type: none"> ■ For some respondents, making a PPI complaint was seen as ‘causing trouble’ simply for personal gain. ■ Some respondents were deterred from complaining as they did not see themselves as the litigious ‘types’ who would typically do so – a behaviour that is linked to people’s association of PPI redress with ‘questionable’ claims. 									
Not ‘top of mind’	Lack of urgency	<ul style="list-style-type: none"> ■ Some respondents had a clear intention to make a PPI complaint but other responsibilities had caused them to deprioritise the task. ■ Other urgent commitments (e.g. children, health, moving house, getting married, or relationship breakdowns) had sometimes eclipsed the impulse to make a PPI complaint. 								

4.2.3 LESS COMMON BARRIERS

The following barriers were the least common across the research. Some respondents discussed these barriers in every group, but they did not seem to affect the majority of respondents.

CLUSTER	BARRIER	DETAIL
Moral Stance	Remembered that PPI was appropriately sold	<ul style="list-style-type: none"> ■ A small number of respondents clearly remembered agreeing to PPI on their credit product and therefore felt that they did not have a legitimate grievance. ■ Their belief that PPI had been appropriately sold made it feel morally wrong to try to make a complaint and receive redress. ■ These respondents may not always have fully understood or considered whether the PPI sold to them was suitable for their individual circumstances.
	'Fragile' financial industry	<ul style="list-style-type: none"> ■ A small minority of respondents were concerned about the financial industry and the ability/capacity to cope with incoming PPI complaints, worrying that it would cause problems for banks and credit providers.
Broken relationships with providers	Disconnection from old providers	<ul style="list-style-type: none"> ■ Some respondents no longer had a relationship with the provider of their credit product or PPI. Some no longer had an account or others had finished repaying their debt. ■ A significant obstacle was uncertainty about whether it was a good idea to make contact with these providers about PPI. This was exacerbated by a lack of knowledge about the best way to do so. ■ Uncertainty was often compounded by a lack of paperwork detailing respondents' account, loan or mortgage since switching or moving providers.
	Providers no longer in existence	<ul style="list-style-type: none"> ■ Some respondents had had PPI with providers that no longer existed at all or had merged or rebranded. This meant that many respondents assumed they were unable to approach anyone about their PPI. ■ For others, it was often unclear how to begin the PPI complaint process, and felt that it would take significant time to take action.
Perceived negative repercussions	Damaging relationships with providers	<ul style="list-style-type: none"> ■ Some respondents were concerned that a PPI complaint would negatively affect their credit rating and create problems to future applications for credit. ■ Others were anxious that stable relationships with their financial providers could be strained by making a PPI complaint. Based on assumptions that the banks and credit providers do not want people to complain, some respondents felt that attempts to do so might be held against them.

Summary

The research uncovered a wide range of barriers that were preventing potential future PPI complaints. Consumers typically were inhibited by a combination of issues rather than any one barrier in isolation. In most instances, the resolution of one reservation had only served to shift the consumer's justification for not complaining onto the next barrier.

The most common barriers, experienced by a large majority of respondents, related to memory, understanding of eligibility, the perceived effort needed to make a complaint, limited understanding of the process and mistrust of firms.

Fairly common barriers included confusion regarding the PPI landscape, complex personal financial histories, the perceived stigma attached to PPI complaints, and the issue simply not being a personal priority.

Barriers that arose less frequently, and were experienced by fewer participants, included respondents sometimes feeling a strong moral stance against making a complaint, having broken relationships with their providers, or perceiving that there were negative repercussions to making a complaint (such as damaging their relationships with credit providers).

5. Understanding potential future complainants

5.1 UNDERSTANDING COMPLAINANTS

As described previously and outlined in the sample detail, the respondents for this study included recent complainants and potential future complainants⁸. While both cohorts were diverse in terms of demographics, financial situations and attitudes, some clear patterns emerged.

Willingness to Complain

While there was a spread of individuals who were more or less inclined to make a complaint across both groups, overall respondents tended to hold a negative view of complaining. Many wanted to avoid causing trouble for others, which seemed to have an overarching impact on delaying their complaint.

“I wouldn’t describe myself as a complainer. But if something’s really wrong, I am not afraid of raising it with the necessary person.”

- Potential future complainant, Cardiff

Certainty of PPI

Many recent complainants were no more or less certain about having PPI, than potential future complainants, prior to encountering a prompt to complain. Respondents who were more certain tended to have one of the following:

- Confirmation of eligibility from their credit provider
- Paperwork from loans or credit in good order
- PPI on more recent credit products (2005 – 2010)
- History of making PPI payments over a long period of time
- A large total amount of PPI payments
- A keen interest in the detail of the transaction (e.g. high financial literacy and conscientiousness)
- Large number of credit products, increasing the likelihood of having had PPI by default

According to the numerical data, understanding of PPI appeared to be related to age; the average age of respondents who felt that they had a good understanding of PPI was higher than those with a vague or little understanding.

⁸ More detail about the sample structure and recruitment can be found in Appendix A.

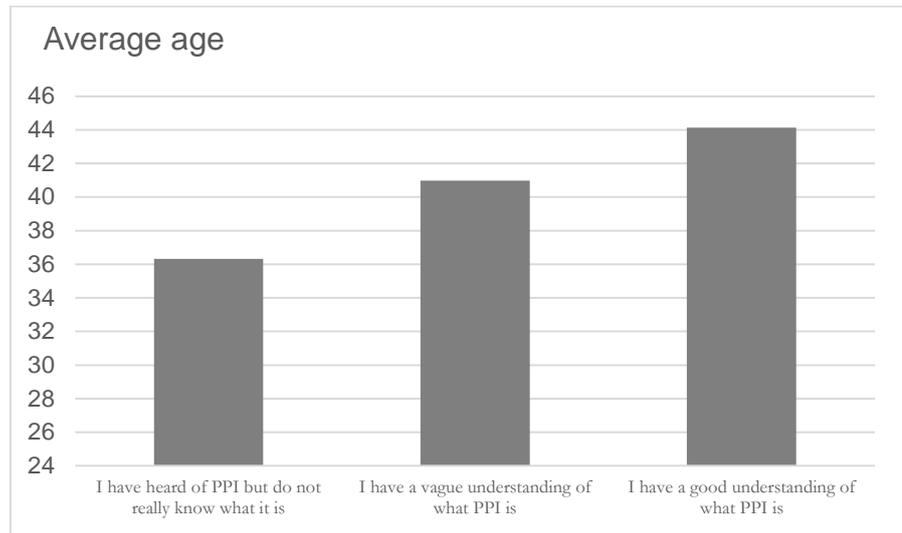


Figure 3: Average age of respondents with different levels of understanding of PPI.
Base: 163 respondents (recent complainants and potential future complainants)

Those who were less certain (both recent and potential future complainants) tended to have one or some of the following characteristics:

- Less interest in their personal finances
- More disorganised in terms of financial paperwork and set-up
- Limited exposure to credit with either fewer products or lower balances
- Less responsibility for finances, which were often managed by someone else

Certainty about few products

Importantly, respondents often only felt any degree of certainty about having PPI in relation to one or a small number of 'headline' credit products. During fieldwork it emerged that those who were certain about having PPI also often felt uncertain about their eligibility on other 'secondary' products. For example, many recalled products during the research itself that they had previously forgotten, or had their assumptions about eligible financial products challenged (e.g. store cards). This pattern of perceived eligibility increasing with greater reflection was evident both with recent claimants (especially those who had made a complaint direct to firm) and potential future claimants. Many respondents left the research feeling they may be eligible to complain on more products than they had originally thought. Certainty in relation to PPI redress, therefore, does not appear to be a static phenomenon.

Potential Redress Levels

Across the research, respondents often felt confused about the level of redress they might receive; almost none of the recent or potential future complainants had a clear idea.

For a very small minority of recent and potential future complainants, the amount of redress received or predicted was quite high (£10,000 and over). However, the majority felt that a more reasonable figure would be in the £100s. A proportion of the sample were confident that they had a claim, but it would only be very small (for example, £50-£100). For potential future complainants, those who expected lower redress amounts were less motivated to make the complaint. Respondents described lower amounts as figures in the 10s or 100s of pounds.

Where individuals were uncertain as to whether they had a complaint, they often dared to hope that they might be due a surprise windfall amount. However, most felt that if they were due this kind of compensation, they probably would have been more conscious of having paid for the PPI in the first place. Recent and potential future complaints regularly remembered prospective complaints during the course of the research, but these often involved low values – meaning less motivation to complain.

“I just don’t think I’d get very much. If I had to guess... a few hundred quid maybe.”

- Potential future complainant, Cardiff

Distribution of Remaining Claims

It is difficult to make an accurate assessment of the distribution of remaining potential complaints. However, the research offered a number of clues which indicate that, within the pool of outstanding complaints, there may be an increasing proportion of ‘difficult to remember’ and low-value complaints

These indicators included:

- A substantial minority of potential future complainants expressing confidence that they were only eligible for a small amount of compensation (e.g. they only paid one or two PPI payments before cancelling the policy).
- After significant prompting, a large proportion of respondents remembered other products about which they might be able to complain – but these often had much smaller balances, were used less frequently, or spanned shorter periods of time.
- Recent complainants who applied direct to firm were as likely as potential future complainants to remember these ‘secondary products’. This highlighted that even if individuals had made a successful complaint, there may be other potentially lower value products they could also complain about.
- Many of those who have not yet complained had complex financial situations, often taking out a large number of products. Although they struggled to remember the details of many of these, they were generally felt to include a number of smaller value policies and potential complaints.

These ‘difficult to remember’ products are important as we do not know how many of them exist. Their nature makes it inherently difficult for anyone to find out about them.

5.2 CONSUMER MIND-SETS

The sample of potential future complainants was very diverse, but respondents could be grouped into a number of broad segments⁹. For each of these groups, there was often a number of **dominant barriers** that prevented them from proactively making a PPI complaint, and which tended to be readily articulated in discussions with respondents. However, upon further probing, it became clear that there were often multiple barriers inhibiting progress for each group of people (as per section 5.1).

5.2.1 'ON THE BRINK'

Some respondents had been actively planning to make a PPI complaint or were intending to do so in the near future. Most of those in this mind-set were under the assumption that they had one principle PPI product with a relatively high redress amount. At the start of the focus groups and depth interviews, and before any specific PPI questions, all were asked to score their likelihood of making a complaint out of 10. 11%¹⁰ of respondents said they were very likely to make a complaint in the next six months.

A small proportion of these individuals had been contacted by their provider, who had highlighted their eligibility and invited them to make a complaint. Others had friends or close family members who had made a complaint and convinced them to do so.

Dominant Barriers

The central challenge facing this group of respondents was that their intention to complain had not yet resulted in action; making a PPI complaint had frequently fallen down their priority list as other life events and tasks took precedence. The most significant barriers for this group of respondents included:

- 'Not top of mind' – Making their PPI complaint had been on their 'to-do' list but not yet been prioritised. This was often the most dominant barrier.
- 'Mistrust of firms' – Suspicions that providers would make the process more difficult was inhibiting their drive to take on the task.
- 'Confused by the landscape' – Concerned that complaining about PPI is a 'scam'.

"I actually know I have PPI; I just haven't got around to claiming it back yet."

- Potential future complainant, Birmingham

⁹ The vast majority of the respondents could be placed into one of six segments, with a few remaining outliers. These groups have not been thoroughly quantified, but this qualitative research saw them represented across the 16 focus groups and 14 depth interviews with potential future complainants. The lack of quantification means at this stage the research cannot draw strong assumptions or definitive conclusions about the scale or demographic profile of these groups. However, the research provides further understanding of what might be preventing these groups from making a PPI complaint.

¹⁰ Respondents who gave a score of 8 out of 10 or above were categorised as 'very likely' to make a complaint. Base = 80.

Laura, Potential Future Complainant

Laura, aged 45, says “I know I’m going to make a PPI complaint”.

She lives in Scotland, having moved there about 5 years ago. She works as a town planner and regularly works from home. She does not see herself as a ‘complainer’, unless she has lost a lot of money.

Laura thinks she can remember having a conversation about PPI on a loan she took out quite a long time ago with her bank at the time and also on a credit card she had as a student. She feels confident that she has PPI on both of them and that they were mis-sold. She has received a lot of phone calls, texts and emails from CMCs but as yet, has not responded to one. She thinks it would be “a lot of hassle” to use one of them.

Laura has also picked up a form from her provider a few months ago, but she has not yet filled it out. There are a number of steps she has to take in order to make a complaint, and they are currently stalling her progress. There is a lot of information she does not have, including her old account number or loan details so she has not filled out the form. In order to do that, she needs to call her old bank. She knows they could look on their systems and find out some of the information for her, but she has not had a chance to call.

Laura’s expectations are that she will get pulled into an overly complex process of finding and sharing bits of information she does not have easy access to. As a result, she does intend to complain but has not made it a priority.

5.2.2 ‘FOGGY FINANCES’

Some respondents had complex financial situations currently or in the past, which dominated their attitudes towards PPI. These individuals tended to have taken out a greater number of credit products and were therefore more likely to have higher levels of borrowing. The complexity of these situations left them feeling unclear about any potential PPI complaints.

Within this category, there was also a subset of respondents who described themselves as having issues that rejected the notion of making a complaint. Some feared unresolved issues with credit providers, outstanding balances or charges could follow a PPI complaint. For some, PPI was associated with uncomfortable personal relationships, on joint policies with ex-partners.

Dominant Barriers

The individuals in this group had a number of strong barriers preventing them from complaining. It was not a simple situation to resolve. The predominant barriers included:

- ‘Memory’ – Remembering all of the products they had had over a long period of time.
- ‘Confused by landscape’ – This group was often heavily targeted by CMCs. As a result, they held a strong conviction that PPI redress was nothing more than a ‘scam’.
- ‘Don’t understand eligibility’ – Particular confusion in identifying which of their products had corresponding eligible PPI complaints and understanding the timeframes for PPI mis-selling.
- ‘Complex financial history’ – This group of respondents included those with negative credit experiences associated with PPI. This included PPI attached to joint policies with ex-partners and PPI associated with unpaid debt.

- 'Poor understanding of the process' – The lack of evidence and paperwork was often troubling, particularly in relation to loans or credit products which they had paid off, or which they no longer had. This paperwork was seen as necessary to make a complaint.
- 'Perceived negative repercussions' – Based on previously high borrowing levels, the respondents in this group felt most strongly about protecting their credit rating, and did not want to do anything that might damage future lines of credit.

“A lot of people would have been more savvy and would have kept a lot of stuff, but I didn't want to keep things that reminded me of being in debt. So once I was back on an even keel I just shredded all my paperwork.”

- Potential future complainant, London

5.2.3 'RATIONAL EVALUATION'

We are using the term 'rational evaluation' to describe those who had explored their potential to make a PPI complaint and made a conscious decision that it was not worth the effort. For some, this was purely due to the perceived low value of their complaint. For others, the likelihood and value of compensation was assessed against the perceived time it would take to make a claim. (As described in section 4.1, sometimes perceptions about the time needed to make a complaint were not accurate and derived from CMC messaging.)

Dominant Barriers

These respondents often based their decision on an assumption that the time and effort needed to make a complaint would not positively relate to the outcome. The main barriers to their complaints included:

- 'Perceived effort' – This group were particularly characterised by concerns that it would take a long time to make the complaint, and that this would not correlate with the amount of their potential redress.
- 'Poor understanding of the process' – Many of these respondents did not have easy access to paperwork or evidence, and felt that finding this would add to the time burden of making the complaint. This was seen as necessary to make a complaint.
- 'Mistrust of firms' – Adding to this group's perceptions of how much time and energy was required to make the complaint were concerns that firms would not be co-operative. Many felt that firms would make the process lengthy and complex.

“When I reclaimed my bank charges it was a lot of to and fro-ing. And I just don't think I'll get enough money out of this to justify that hassle and amount of my time.”

- Potential future complainant, Glasgow

5.2.4 'MORAL GROUNDS'

A number of individuals felt strongly that it was immoral to complain about PPI and had a number of reasons for feeling this way.

Dominant Barriers

The main motivations that informed this behaviour included:

- 'Moral stance' – Some respondents had a clear recollection of the sales process for PPI and felt confident that they had agreed to the policy being added to their loan or credit. However, in some cases respondents did not realise that mis-selling could also include being sold a product that was unsuitable for their circumstances.
- 'Stigma of being a complainer' – For many in this category, making a PPI complaint was associated with 'litigious' people, who were looking to gain something for themselves. These respondents did not want to associate themselves with this stereotype.
- 'Confused by the PPI landscape' – A particular obstacle for this group was a lack of understanding that PPI may have been an unsuitable product for them. They tended to reflect solely on the sales process they could remember.

"I remember being asked about PPI and I said yes to it. So it wasn't mis-sold to me. So why would I make a complaint about it? That's not really on is it?"

- Potential future complainant, London

5.2.5 'DISENGAGED'

A minority of respondents only had a faint interest and limited knowledge in personal finance, including PPI. These individuals tended to have lower financial capability, were more distant from their banks and other financial institutions, and lacked motivation to learn more about the PPI situation.

Dominant Barriers

Misconceptions, along with a failure fully to engage with the information already in the public domain, characterised the barriers preventing this group from making a complaint. Specific barriers included:

- 'Confused by the landscape' – These respondents' awareness had mostly been shaped by CMCs, meaning they often felt PPI redress was a 'scam'. This had sometimes led to disconnection from the topic, preventing them from making any attempt to expand their knowledge.
- 'Stigma of being a complainer' – The CMC association gave respondents the impression that they would need to be forceful in making their complaint, something many felt uncomfortable with.
- 'Poor understanding of the process' – Very few in this group knew that it was possible for them to make their own complaints direct to lenders.

"Well everyone else here seems to know a lot more about PPI than I do. If I'm totally honest, I just haven't really paid attention. I don't tend to listen to all this financial stuff."

- Potential future complainant, Cardiff

5.2.6 'COMPLAINT-AVERSE'

As mentioned previously, a high proportion of respondents across the work tended to feel uncomfortable about the notion of making an 'unnecessary' complaint. However, a small proportion were strongly complaint-averse in all circumstances. In relation to all aspects of their life, they described themselves as not wanting to cause trouble or extra work for others. They were often trying to avoid any stress or potential negative repercussions that might arise from drawing attention to themselves.

Dominant Barriers

This group was discouraged by the formality of the PPI complaints process. They perceived making complaints as a fundamentally negative exercise, and did not want to be party to this unless they had a strong, valid reason for doing so. The main barriers included:

- 'Stigma of being a complainer' – The need to be either 'pushy' or 'litigious' was at odds with their own personality. This often made people feel uncomfortable about the process of making a complaint.
- 'Mistrust of firms' – Many of these respondents perceived that banks and credit providers did not welcome complaints and would make the process difficult.
- 'Perceived effort' – This group tended to expect they would need a high level of time and energy in order to 'fight' their way through the complaints process.

"I would just rather not put myself out there like that. I'm much more likely to stay out of the limelight."

- Potential future complainant, Manchester

5.3 LIKELIHOOD OF MAKING A COMPLAINT

5.3.1 LIKELIHOOD OF DIFFERENT MIND-SETS

Each of the groups of respondents, based on their mind-set regarding PPI, demonstrated different degrees of likelihood that they would make a PPI complaint in the near future assuming no changes to the process as it currently stands. Often this was related to the numbers and types of barriers that they were facing.

(It should also be noted that there were a range of individual differences within each of these groups and the ranking shown in Figure 4 is an average. As such, the likelihood of making a complaint is not completely determined for each individual taking part in the research.)

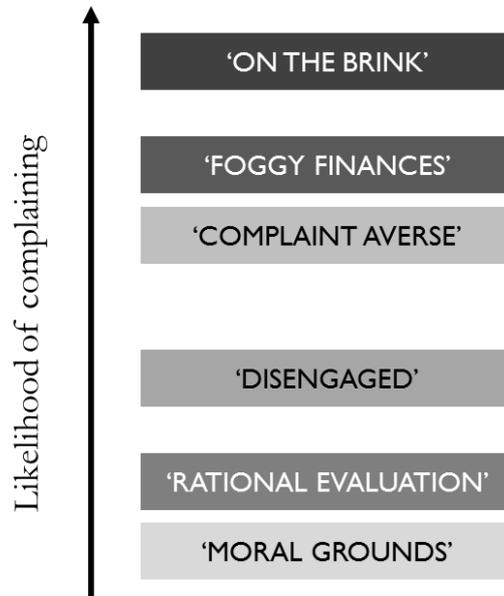


Figure 4: Estimated spectrum of likelihood to make a complaint.¹¹

Most importantly, it became clear that the respondents who already had the *intention* to complain were more likely to do so in the coming months. The respondents who were **'on the brink'** often had the strongest intentions to do so. The other groups of respondents often needed much more encouragement to develop this intention to complain.

The **'foggy finances'** and **'complaint-averse'** groups had not yet decided whether making a PPI complaint would be appropriate. Both groups had relatively complex situations that meant they felt the process would take some effort on their behalf. However, neither of these groups rejected outright the idea of making a complaint and remained open to the potential to do so.

The **'disengaged'** respondents were very unlikely to make a complaint. They did not have sufficient understanding or desire to gain understanding and were yet to develop any intent to make a complaint. Again, however, they had not rejected the idea of making a complaint entirely.

The **'rational evaluation'** and **'moral grounds'** groups of respondents were most likely to have ruled out the possibility of making a complaint in the near future. After considering the process relatively thoroughly, they were very unlikely to make a complaint because of this (at

¹¹ This has been generated based on the researchers' understanding of the people they met and is not based on numerical data. This is therefore open to interpretation.

the time of the research). It should be recognised, however, that some may have made this decision based on incorrect information.

5.3.2 LEVELS OF ENCOURAGEMENT NEEDED

The research also sought more clearly to understand how much encouragement or support respondents would need in order to make a complaint. This caused some shifts to the ordering of these groups:

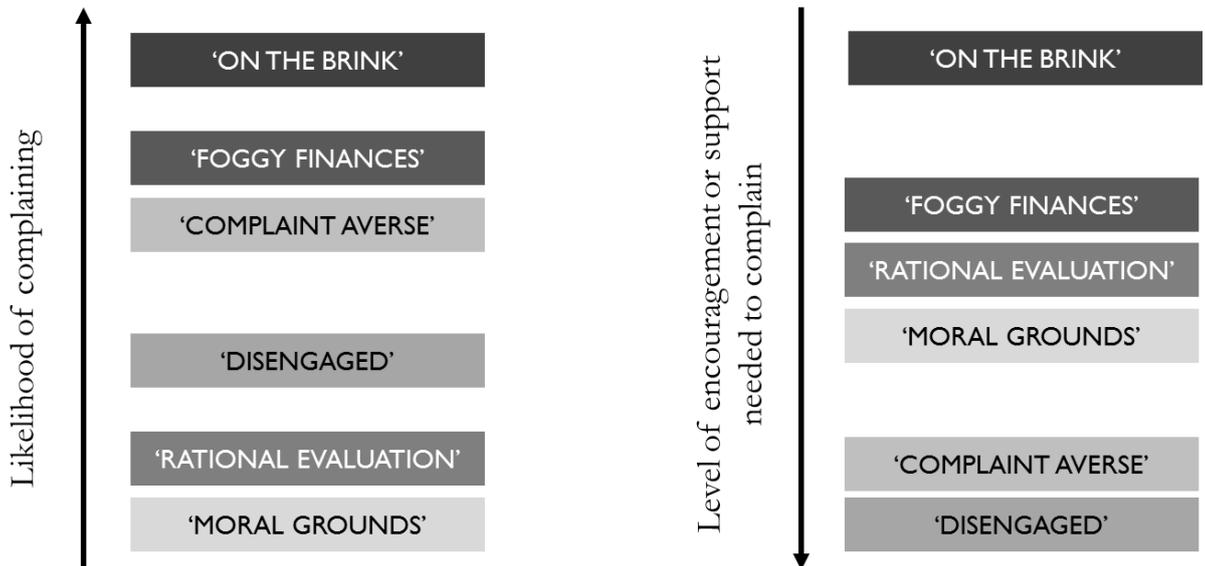


Figure 5: Likelihood of complaining and the encouragement needed to make a complaint.¹²

The individuals who are *‘on the brink’* tended to need the least encouragement or support from an external source to turn their intent into action. They simply needed a form of engagement which forced them to prioritise making a complaint.

For those in the *‘moral grounds’* group, there was potential to convince them to complain with a relatively small amount of new information. Updating their understanding of ‘mis-selling’ to include the notion that the product might not have been suitable for their situation could shift their outlook on PPI.

Respondents within the *‘rational evaluation’* and *‘foggy finances’* groups seemed to require slightly more support and often this needed to be practical changes rather than informative encouragement. For example respondents who have made a ‘rational decision’, were often looking for the process of making a complaint, and consequently perceived effort, to be more proportionate to their expected redress levels. The individuals with *‘foggy finances’*, meanwhile, often needed a mechanism for locating multiple PPI policies and managing potential multiple complaints.

The groups who needed the most encouragement and support were the *‘disengaged’* and *‘complaint averse’*. Both of these groups had specific barriers that meant they required a significant reframing of the issue and process for complaining. For the *‘disengaged’* this

¹² This has been generated based on the researchers’ understanding of the people they met and is not based on numerical data. This is therefore open to interpretation.

would need to capture their attention, and for the '*complaint averse*', to make them feel that it would not be a contentious complaint that led to any negative repercussions.

Summary

While it is difficult to make a clear assessment of the distribution of remaining PPI complaints, many recent and potential future complainants remembered additional policies during the discussion group or interview. The overall impression was that the remaining pool may include a significant number of smaller value complaints that are not top of mind. This is not to say that there are no more larger value complaints to be made, in particular for individuals who may continue to struggle to remember any of their PPI policies.

It also became clear that potential future complainants could be categorised into one (or more) of six distinct mind-sets, often aligning with a dominant set of barriers that have thus far prevented them from making a complaint. These mind-sets included respondents who: were 'on the brink' of complaining, had 'foggy finances', had made a 'rational evaluation', had strong 'moral grounds' for not complaining, were 'disengaged' and were 'complaint-averse'.

Each of these mind-sets demonstrated different degrees of likelihood of complaining in the near future. As a result, they may require a different degree of support or encouragement to make a complaint. For those with a 'moral stance', for example, there were simple pieces of information about PPI mis-selling that could easily shift their perspective. On the other hand, those with 'foggy finances' seemed to need for more significant practical support to remember and manage multiple PPI policies and potential complaints.

6. The challenge of encouraging people to complain

The research clearly found that the majority of potential future complainants had a basic awareness of the issues surrounding PPI – and in particular that they could put in a complaint to receive redress that is owed to them. However, while most had known about this issue since it hit the headlines four years ago, only a small number were actively considering making a complaint.

The challenge of encouraging people to complain is not straightforward. The diversity of potential non-complainants and the specific combinations of different barriers are extremely complicated. Furthermore, it is highly likely that many of the credit products, about which individuals may make eligible complaints, are not top of mind. This is linked with the hypothesis that many remaining potential complaints may be linked to secondary credit products and/or PPI policies that may be lower in value.

6.1 COMPLAINANT NEEDS

In order to provide a framework for encouraging people to complain, we have reframed the barriers facing potential future complainants in terms of what needs to be done to overcome them. The ‘consumer needs’ summary below provides a starting point for devising mechanisms that may ultimately encourage further PPI complaints.

NEED	SPECIFIC DETAIL
To overcome stigma attached to complaining	Consumers need: <ul style="list-style-type: none"> ■ To feel owed or wronged ■ To feel that it is socially acceptable to complain ■ To understand the comprehensive definition of mis-selling (i.e. including potential inappropriateness of the product for the consumer) ■ To know that if their complaint is upheld and they are paid redress, this does not mean they did something wrong or were not careful ■ Reframing language around complaining
Clarity regarding the ‘official’ nature of the PPI complaints / ‘claims’ industry.	Consumers need: <ul style="list-style-type: none"> ■ To feel that it is legitimate to make a complaint and that it is not a scam ■ To feel that it is less of a ‘lottery’ ■ To feel that they will not be punished if their complaint is refunded ■ To know that making a complaint will not negatively affect financial data / credit history ■ To feel confidence in assessing their own eligibility and what this means in practice (e.g. dates, products)

To better understand eligibility	<p>Consumers need:</p> <ul style="list-style-type: none"> ■ To feel certain they are owed money (where appropriate) ■ To appreciate how much they could be owed ■ To feel a reduced fear of rejection ■ A quick and easy way to check whether or not they had PPI and confirm their eligibility ■ To know they can complain about older products ■ Memory prompts for potential products they have had in the past that could have PPI attached
Clarity on the ease of making a complaint and how much time and effort it actually requires	<p>Consumers need:</p> <ul style="list-style-type: none"> ■ To know that it is possible to complain directly to their firm (i.e. that CMC involvement is not essential) ■ Clarity on how to complain directly to their bank / provider ■ A quick and straightforward process ■ To know that it does not have to cost any money to complain ■ To be convinced that the investment they make in complaining is warranted by the benefits – basing this assessment/evaluation on accurate information ■ A means of processing multiple complaints across multiple products/policies ■ To know and feel confident that complaining does not need to involve a lot of paperwork ■ To be able to check for multiple products with PPI
Confidence that the firms will be able to help and be supportive	<p>Consumers need:</p> <ul style="list-style-type: none"> ■ To know that firms have teams dedicated to dealing with their complaint ■ Support to make PPI complaints with organisations that no longer exist / have merged ■ To know that the banks are stable enough to withstand the number of PPI complaints being made ■ A feeling of openness and co-operation from the firms ■ A sense of justice ■ Reassurance that their complaint will not go on their 'record' ■ To feel confident that existing relationships will not be tarnished

6.2 Triggering people to make a claim

The recent complainants who participated in the research illustrated that barriers can be overcome with clear and compelling ‘new news’. This was especially true when this information was delivered by a trusted party. In the majority of existing complaints, a friend or close family member who had themselves made a complaint or, in a smaller number of cases, received a direct letter from the bank, had refreshed the respondents’ understanding of PPI. Knowledge that close peers had complained, especially if they were successful, was a particularly powerful trigger – especially if that person took time to challenge assumptions held by the non-complainant about the barriers.

“My friend just kept telling me how easy it was and that I should definitely do it. To be honest, I didn’t want to – I just thought it would be so much hassle. But my friend eventually sat me down and told me what an idiot I was. They got the forms and we filled them in together. It was so much easier than I was expecting.”

- Recent Complainant, Birmingham

For consumers who made complaints via CMCs, difficulty resisting firms’ ‘spam’ communications, plus the prospect of ‘free money’ (in exchange for little personal time investment), often led to a ‘moment of weakness’.

“One day I just said yes, I don’t know why, I just did.”

- Recent Complainant, Edinburgh

However, it is worth emphasising that many potential future complainants also seemed to have experienced these or very similar triggers and had not acted. Encouraging future complaints is therefore perhaps not quite as straightforward as simply mimicking the conditions experienced by recent complainants.

A particularly interesting finding suggested that with persistent and continuous ‘new news’, delivered in a compelling and personally relevant way, potential non-complainants could change their likelihood to complain. During the research we asked respondents to score their likelihood to make a complaint several times and include a justification for their score (for example “I’m not sure I even have PPI” or “Now I know that complaints can be made on older credit products”). Across the research there was a clear trend towards increasing self-rated likelihood to complain as the study progressed. Throughout, the justifications for changing the score related to fragments of ‘new news’ that respondents had gleaned from the conversations and group discussions.

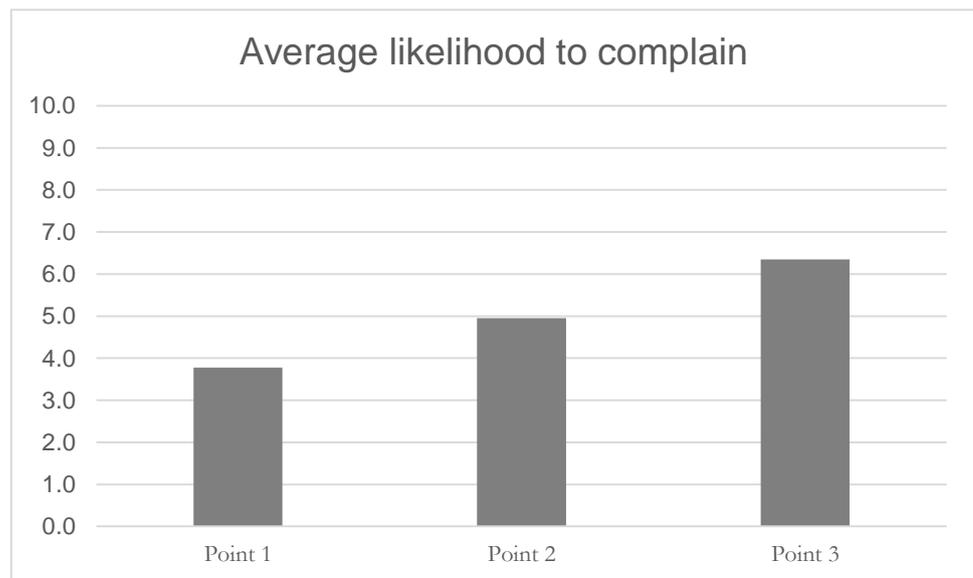


Figure 6: Likelihood to complain at three points during the discussion groups

Base: 80 respondents (potential future complainants)

REACTIONS TO SUGGESTED INTERVENTIONS

Across the research, respondents were encouraged to make suggestions about triggers that could prompt them to action. Throughout the research, new suggestions that arose were shared with further respondents to gauge reactions. Furthermore, a number of specific ideas were introduced for consideration where respondents had not spontaneously suggested them.

Suggestions included:

- Proactive compensation and refunds from firms
- An advertising campaign clarifying the situation and encouraging people to make a complaint
- A deadline for complaining
- A letter from the provider (or via other communication channel) explaining how to complain
- Ways of checking individual eligibility to complain
- An easier process/mechanism for making a complaint (or multiple complaints)
- Ways of feeling peer pressure to complain
- An 'ethical' CMC
- Changes to language (reframing)

The rest of this section is devoted to detailing feedback to each of these ideas in turn.

6.2.1 LETTER FROM PROVIDER

When asked to suggest ideas, respondents across the sample said that their ideal scenario was a proactive refund from the firm, involving little or no effort on their part. Respondents assumed this would involve the firm tracking down each individual customer, checking details and then transferring the money directly into their account. Ideally there would be no forms, no cheques, and no wait. This conviction was often informed by the sense that it was the fair, just thing to do.

"When I owe them money they seem to be able to find me. It's only fair, they took my money this time, they owe me. So they should put in the effort to give it back."

- Potential future respondent, Cardiff

However, most respondents were either more cynical or practical, and recognised that firms would be unlikely to do this.

Many respondents did feel it was not unreasonable to expect firms to put some effort into making contact with those people who they knew to be eligible to make a claim. This included, but was not limited to, writing letters. Letters were felt to be a trusted means of communication but had disadvantages (such as the ease with which they can be mistaken as part of the marketing communications from providers).

Most respondents assumed that the communication would be personalised. Their ideal in this respect was to receive direct confirmation of eligibility and the total amount of redress. However, if this was not possible, then respondents agreed that any encouragement to make a complaint would be better than doing nothing.

"I mean really it would be great if they could say, you know, you are eligible and you'll get around so much. But if they're not going to do that, they could definitely be a bit better at making people feel like it's okay to make a complaint."

- Potential future complainant, Manchester

Other suggestions about ways that firms could communicate with potential complainants included announcements and posters in branch, mentions from customer service staff in branch or via telephone banking, and secure messaging via online banking or banking apps. While this idea was regularly suggested and held a lot of appeal, respondents felt that on its own (and without a strong personal message about eligibility) it might not have the necessary impact and could get lost amid other marketing messages.

“Why don’t they put something on their online banking sites? How many people really get paper statements anymore. Just like a pop-up or something so I can complain there.”

- Potential future complainant, London

6.2.2 ADVERTISING CAMPAIGN

A very commonly suggested idea was an advertising campaign designed to challenge assumptions and deliver more accurate news about the complaints process and eligibility. However, respondents were also quick to recognise that they are already quite saturated with messages about PPI. Many had already been screening out adverts relating to PPI complaints several times a day. Within this context, it was recognised that any new campaign would have to work really well to be effective in overcoming existing prejudices about the current messaging.

“I think someone needs to get out there and tell everyone about PPI. But it needs to be someone we can trust, like governmental or something.”

- Potential future complainant, Glasgow

“There’s so many of those adverts and stuff that I just switch off now. I don’t know how you’d get people to pay attention. I bet everyone just changes the channel.”

- Potential future complainant, Belfast

Suggestions from respondents about how to get them to take notice of a campaign included:

- Multi-channel advertising – It should be everywhere and impossible to ignore.
- Highly engaging – People wanted to be inspired to take notice.
- Authoritative source (government driven) – Individuals needed to know they could trust it.
- Differentiated from CMCs – It should not feel like a CMC communication (although respondents recognised that this is challenging, given the range of different styles of communication used by CMCs).
- Accompanied by PR and media coverage – If the initiative also appears in the news then it is more likely to be taken seriously.
- Delivered by trustworthy bodies or credible individuals – It should be delivered by people who have legitimacy within financial services (e.g. Martin Lewis, MoneySavingExpert, Gov.UK, CAB).
- Covering a range of messages – The campaign should try to address all of the different barriers that people raise.

The respondents themselves were realistic about how challenging this would be. Many felt that the cost of achieving all of these requirements would be prohibitively high. Others felt that if the complaints were caused by the firms then they should have a duty to encourage complaints.

Changing Language (Reframing)

For some respondents, a key element of the campaign would be the need to address the notion that PPI redress is a “scam”. Many felt that there were options for achieving this by amending the language used in communications. This could be particularly true in relation to the ‘moral grounds’ and ‘complaint averse’ groups.

Many respondents, including the ‘complaint averse’ and ‘moral grounds’ groups, felt their understanding of PPI and perceptions of eligibility altered when researchers reframed the issue to highlight similarities to product recall. Participants felt that there was therefore potential to use different language to realign how consumers feel about the merit of PPI complaints, and to provide them with a refreshed rationale. Words including ‘claims’, ‘refunds’, ‘recall’ and ‘compensation’ were all felt to be more appropriate, relevant and engaging to these respondents.

“Oh see that makes sense to me! It is like a product recall. I see that. That makes me feel better about doing it.”

- Potential future complainant, Manchester

Other messages felt to be appropriate for the ‘moral grounds’ respondents highlighted the issue of PPI suitability based on personal circumstances, clarifying that PPI mis-selling was not limited to sales interactions. For potential future complainants who were ‘complaint averse’, messages that focus on the co-operative nature of firms and their desire for people to make complaints were felt to be relevant and appealing.

In addition, some respondents speculated that they might feel more deserving of redress if PPI was dissociated from claims and injury lawyers. This was a predominant feeling across the research and, as noted previously, respondents tended to refer to PPI ‘claims’ rather than ‘complaints’. Refreshing language to incorporate challenges related to the product was felt to be a potentially positive way of making PPI complaints feel more legitimate.

“Well if it was about the product being bad for me, that would be totally different. If that was true it would make me reconsider making a complaint.”

- Potential future complainant, London

6.2.3 COMPLAINT DEADLINE

Some respondents spontaneously suggested that a deadline might encourage them to act. This was also suggested by the research team and tested across the research.

“At the moment, it just doesn’t matter really when I do it. If there was a deadline or something, I’d probably get around to doing it sooner.”

- Potential future complainant, Cardiff

Overall, introducing some kind of deadline was felt to be reasonable, and would probably add critical impetus to those already ‘on the brink’ of making a complaint. Some respondents already believed that a deadline had passed (a misconception partially driven by CMCs), and were surprised to find that it had not. The majority of respondents were not in any rush to make their complaint because they did not perceive any need to do so in the near future.

However, all of the respondents that did not yet have any intention of complaining were not convinced that a deadline by itself would be enough to encourage them to make a PPI

complaint. In the numerical analysis, only 15%¹³ of respondents rated it as the intervention most likely to trigger action.

“To be honest, it wouldn’t make me do anything. I’m still not really convinced I’m eligible, so I probably wouldn’t pay much attention to a deadline.”

- Potential future complainant, Glasgow

Some respondents were concerned by the fairness of introducing a deadline. Having a deadline in one year’s time (2016) was felt by many to be particularly unfair. While it would be a good spur to action for those ‘on the brink’, for others it was seen as “too quick” for everyone fully to understand their potential eligibility and begin the complaints process across all of their potential policies.

Instead, three-to-five years was felt to be the most appropriate length of time for a deadline. This was informed by the recognition that the deadline would ideally be supported by additional actions to create more ‘intention to complain’ – and that a longer period was therefore needed for the complementary communications and process changes to have their intended effect.

“I don’t like the deadline. It’s not fair to people who’ve got a lot of stuff to sort through to even find out if they can make a complaint and then have enough time to do it.”

- Potential future complainant, Birmingham

Respondents had two other concerns about the potential deadline. Firstly, there were significant concerns that most potential future complainants would make all their complaints simultaneously in the last few weeks of the deadline. While a couple of respondents said they were more likely to make their complaint almost immediately or in a short timeframe, most recognised that they respond to all deadlines in a similar manner: finalising things at the last minute.

It was therefore felt that any deadline would ideally represent the time by which respondents must make their complaint to the firm – as opposed to the point by which the complaint must have been investigated and resolved. This was partly because respondents were unsure how long the process would take, making a ‘case closed’ deadline unworkable from their perspective.

“If I’m honest, I’d probably do it right at the last minute. I expect everyone else would too, no? So there’s going to be a bit of a rush on and then that would slow everything down.”

- Potential future complainant, Belfast

Secondly, the majority of respondents queried what would happen with the money that has been ‘put aside’ for PPI after the deadline. There was a strong sense that this money should be put to good use by the firms – for example in the form of a charitable donation.

“Well if there’s a deadline and not everyone complains, what are the banks going to do with all this money they’ve put aside? Because that’s not fair if they keep it.”

- Potential future complainant, Birmingham

Additional suggestions included putting in place a **rolling deadline** that followed the patterns of time for the policies uptake. This would mean that the older products were given a deadline first, moving closer towards products taken out in more recent years up to 2010. Not only would this enable customers to prioritise and manage potentially eligible complaints one at a

¹³ Base: 80 people.

time (where appropriate), but it would also mean that all of the complaints would not happen at the same time.

6.2.4 MAKING THE PROCESS EASIER

Many potential future complainants suggested that the process of making a complaint needed to be made less daunting and more straightforward in order to encourage complaints. This was particularly felt to be the case for those who may have had multiple policies and could potentially make multiple complaints (a cohort which we hypothesise to be large). A **website that supported the process of checking and making PPI complaints** was suggested by some respondents and widely welcomed by others.

“Is there any way they could make it easier for people like me with quite a few potential complaints? Like a means of doing all of them in one go?”

- Potential future complainant, London

Respondents felt that there should be a clear, simple website that enabled individuals to approach multiple providers (current and previous) simultaneously. The ideal version would provide instant verification of PPI eligibility and the total value of redress due. However, participants would also be happy with a simpler mechanism – for example, a website that simply acted as a means of sending out communications to many providers at once.

An additional feature which respondents would like to see on such a website is a gallery of firms’ logos (past and present) to prompt recall of the different lenders they may have used.

“If they could put all the old and current logos of banks and stuff on there, that would really help me remember potential PPI that right now I’m struggling to remember.”

- Recent complainant, Birmingham

The most significant benefit of this website was seen to be its role in supporting respondents to efficiently uncover multiple PPI policies as well as making and managing potential complaints. Respondents also recognised potential benefit in helping them to engage with providers that no longer exist (or exist in a different form). Finally, it was seen to have benefit in encouraging respondents to make smaller value claims and doing so directly to their provider, rather than through a CMC.

“It would be great if we could go directly to all the providers rather than needing to use one of those companies.”

- Potential future complainant, Glasgow

Additional suggestions (provided by respondents) to make the complaint process easier included:

- **‘Universal’ forms** – Launching a universal form that could be used with all credit providers. When respondents, who had previously never seen a form, were shown them they felt they were complex and lengthy. However, when they looked through the detail, it became clear that they were not as difficult as initially thought. Finding a better means of collecting the necessary data was felt to be important to successfully encouraging complaints.
- **Promoting the value of ‘do it yourself’** – Some respondents felt that there was a need for more messaging about the potential to make complaints directly to their firms. A significant proportion of potential future complainants were unaware of this option and were surprised that it was not more clearly marketed.
- **‘Ethical’ CMC** – A smaller number of recent complainants and potential future complainants (especially ‘foggy finances’) recognised the value in the CMCs, and felt that getting an external party to do the work was the panacea. Some respondents developed an idea of an ‘ethical’ CMC, such as a charity or government body, with a lower rate of commission than its commercial counterparts, could be trusted and would not bombard consumers with advertising.
- **Commitment devices** – Some respondents had started the process of making a complaint and stopped part-way through. These individuals were often looking for ongoing prompts to make them complete the complaint process. They recognised that this was difficult to achieve but felt that there was scope for other mechanisms by which they could ‘pledge’ their wish to complain as a means of committing to seeing through the process.

6.2.5 ‘NORMALISING’ PPI COMPLAINTS

Some respondents recommended ideas to bring PPI redress into the mainstream, thereby overcoming the current strong associations with ‘inappropriate’ claims processes (e.g. personal injury).

“I think it just really needs to become a much more normal thing to do.”

- Recent complainant, London

For existing complainants, this often grew out of the fact that many had been convinced to make their complaint by close personal contacts who had been successful. The potential future complainants who did not know anyone who had been through the process felt that this would help them to feel that it was an acceptable action to take.

Respondents suggested opportunities to share stories of normal, everyday people (case studies) who have made PPI complaints through advertising or social media. This was seen as a means of cutting through some of the messaging from CMCs. In addition, using statistics to demonstrate how many people have made a PPI complaint and how many were left outstanding was seen as another mechanism for **‘social norming’**.

“Could someone make a campaign about all the normal people who are making complaints?”

- Recent complainant, Glasgow

To give further strength to this, respondents felt that firms would also need to have a more prominent voice in encouraging complaints. Some felt that the firms would not be co-operative in the complaints process and that, if in fact it was not true, this perception needed to change. Increasing confidence and trust in the firms was therefore felt to be a potentially effective means of both encouraging complaints, and also ‘normalising’ the notion of complaining. Some respondents felt that firm-led campaigns and messages focused on their desire to help was the best way to achieve this.

Spontaneous ideas developed by respondents included a ‘**code of best practice**’, whereby firms would have to publicly agree to behave in a certain manner during the complaints process. This was regarded as a means of heightening confidence that firms will not ‘fight’ the complaint and that there will be no associated negative repercussions.

Additionally, it was felt that firms could be clearer that they were **trying to encourage complaints**. PR or communications directly from the firms that explained what they have already done to encourage complaints, and outlining their willingness to repay (when appropriate) were seen as a good idea.

Others thought firms could **publish statistics** about how many PPI complaints they have upheld and redress levels, as well as highlighting that they have staff dedicated to PPI. While some respondents recognised that this information might already exist in the public domain if they searched hard enough, they felt it would have more impact if done in an accessible and bold manner.

How to make smaller value complaints feel worthwhile?

Earlier in this report we discussed the possibility of an increase in the proportion of smaller value complaints as PPI complaints continue. Respondents’ hesitation was prompted by uncertainty about their own eligibility and uncertainty about compensation amounts. This ‘long tail’ of smaller complaints poses a particular challenge: how to encourage potential future complainants to act when there are diminishing returns at stake?

Respondents identified that the current ‘average pay-out’ advertised by CMCs was often around £2,000 - £3,500. Against this backdrop, a complaint valued at a few hundred pounds was viewed as insignificant. However, for many of the respondents, a few hundred pounds would have been beneficial. **Anchoring** potential future complainants to smaller value redress levels (e.g. in advertising) was discussed by respondents as a means of making smaller value complaints seem more worthwhile. Alongside this, **communicating the ‘success rate’** of complaints, and promoting the high chances of obtaining redress, were also felt by respondents to be potentially useful strategies.

Summary

Any attempt to trigger future complaints will be challenging, with diverse and interlinked barriers posing significant obstacles. The research did illustrate, however, that one of the most powerful drivers of actions among respondents was the receipt of ‘new news’ – particularly where such information came from a trusted personal source (e.g. close family member, friend) or an authoritative voice. The research demonstrated that with persistent and continuous ‘new news’, delivered in a compelling and personally relevant way, potential non-complainants had the potential to positively alter their likelihood to complain.

The research tested and generated a range of potential interventions by which barriers to complaining may be overcome. Direct contact from firms was considered a very appealing option, especially if this could confirm eligibility and the amount of redress to which they were entitled.

Many respondents, especially those who already had the intention to complain (‘on the brink’), also felt a three-to-five year deadline would be reasonable and fair. This would provide enough opportunity to explore their PPI situation in more detail before making their complaint, while also offering a window for support to be offered to those with multiple complaints. A popular means of achieving the latter was felt to be a centralised website, which would not only help consumers to make and manage complaints, but also trigger recall of older products and reconnect consumers with firms which may have sold them PPI.

The prospect of a communications campaign was well-received, but respondents recognised that it may struggle to cut through CMC advertising and direct tele-marketing in order to properly engage them. This could include messages clarifying the firms’ desire to encourage complaints and make the notion of complaining feel more socially normal. Other respondents felt like there were opportunities to make the process simpler and easier especially for those with multiple policies, and therefore multiple potential complaints.

A particular aspect of the challenge regarding PPI redress involves how people may be encouraged to make complaints when smaller values are at stake. Making these cases feel more worthwhile could be achieved by re-anchoring expectations to lower values (i.e. in the £100s rather than £1000s, as is the typical benchmark at present), or doing more to focus on the high success rates for complaints.

7. Conclusion

The insight gathered on consumer behaviour regarding PPI redress, enables the FCA to assess whether the current approach is continuing to meet the objectives of securing appropriate protection for consumers and enhancing the integrity of the UK's financial system.

This section summarises the study's findings in relation to key thematic areas.

Awareness and understanding

Most respondents had a fairly good understanding of PPI, often recognising the acronym and demonstrating awareness of mis-selling issues. However, the majority of participants had limited knowledge about what mis-selling meant in practice, often associating it solely with interactions with staff. Only a minority understood that there might be issues associated with the product's suitability for their circumstances.

Awareness of mis-selling had generally come from the media, but the research also illustrated the powerful role of CMCs in shaping people's perceptions. This influence compounds some of the challenges associated with any attempt to drive further engagement, with the attitudes of many potential future complainants distorted by the misconceptions, knowledge gaps and prejudices derived from their exposure to CMC advertising.

Barriers to Complaining

In addition to the confusion created by CMCs, a wide range of barriers was shown to be preventing people from making PPI complaints. Rarely did individual respondents experience a single barrier in isolation; instead, a combination of issues had exponentially decreased their likelihood of taking action. The most common barriers centred on difficulties with memory, understanding of eligibility, the perceived effort needed to make a complaint, limited understanding of the process and mistrust of firms. These barriers were not unique to potential future complainants, but had also frequently inhibited those who had complained within the past 12 months too.

Memory was particularly relevant in relation to policies with a smaller sum of expected redress. During the course of their participation in the research, respondents tended to remember additional potential complaints they had not previously considered. These were often associated with historic products or a lower amount of borrowing.

Further barriers deterring a wide range of consumers included complex financial situations (currently or in the past), the perceived stigma of making a complaint, and PPI redress being or becoming a non-urgent priority.

Consumer mind-sets

Potential future complainants tended to fit into one of six mind-sets, the categorisation of which aligns their outlook with a set of dominant barriers. These mind-sets were:

- 'On the brink' – Consumers had a clear intention to make a PPI complaint, but had not yet acted on this.
- 'Foggy finances' – Consumers had complex financial situations which had made their history of PPI policies difficult to remember and locate.
- 'Rational evaluation' – Consumers had made a rational assessment that a PPI complaint was not worth their time based on the balance of perceived effort and expected redress.
- 'Moral grounds' – Consumers' strong moral reasoning prevented them from making a complaint; they often did not think they had been mis-sold their policies.
- 'Disengaged' – Consumers had limited awareness, knowledge and understanding of finance, including PPI and PPI mis-selling.
- 'Complaint averse' – Consumers felt uncomfortable making complaints in a range of situations (not just related to PPI) and thought a complaint could lead to negative repercussions.

Consumers in each of these mind-sets were more or less likely to make a PPI complaint in the near future and required different levels of encouragement and support to do so. Those who already had the intention to make a complaint (*on the brink*) were the most likely to complain and needed the least encouragement to do so. The other types of mind-set often needed support to develop this 'intention to complain'.

Potential Interventions

Respondents in all six categories felt it was important that any future activity gave them a fair chance to make a complaint (where eligible) and receive the redress they were potentially due. However, this conviction was accompanied by recognition that any attempt to trigger potential future complaints would not be straightforward. During the study, respondents shared their opinions on a range of intervention options introduced by the research team and also spontaneously suggested by respondents.

In line with the experience of many recent complainants, greater efforts to present new, trustworthy information about PPI in a captivating, relevant way, was felt to be a potentially successful mechanism. A communications campaign was therefore felt to have promise and, while many respondents felt that this would require an authoritative tone and content in order to compete with and ‘cut through’ CMC advertising, some observed that organisations such as MoneySavingExpert were already managing to achieve this in an effective way.

Respondents also broadly accepted the idea of introducing a deadline, although the study identified a number of questions regarding the fairness and practicality of such a measure. It was acknowledged that the deadline would work well for respondents who already had the intention to make a complaint, but careful thought would be needed if it were also expected to develop this intention among less likely complainants.

Some respondents felt that firms should take more action to encourage remaining eligible PPI complaints. Ideally, this would involve a personalised letter confirming eligibility and redress amounts, but many would also be happy with less. Often consumers’ hoped for the process as a whole to be made simpler, especially in relation to multiple complaints.

Other suggested measures also included attempts to make complaining feel more like a mainstream activity (‘social norming’), along with campaigns specifically focused on highlighting the value of making complaints with smaller values of redress. It was felt that the latter could possibly be achieved by attempting to re-anchor consumer expectations about likely redress sums, or by emphasising the high success rates of complaints.

ESRO LTD

The Ballroom
Maritime House 0JW
Grafton Square
SW4

CONTACT US

+44(0)20 7735 8040
contactus@esro.co.uk
www.esro.co.uk

Appendix A: Recruitment

All respondents were recruited using free-find recruitment methods and carefully screened according to the following specifications.

Demographics and geography

The sample was recruited to incorporate a spread of demographics to be broadly representative of the UK population. The minimum age was 24, to allow for credit products bought in 2010 at the age of 18.

- Gender: 50:50 male/female
- Broad range of ages between 24 – 75
- Broad spread of SEG / household income
- Broad spread of ethnicity and religion representative of UK population
- Financial sophistication using the following indicators:
 - I take an active interest in my finances and regularly read the financial news
 - I have a good understanding about the investments I hold
 - I think I am more clued up about money than the average person

There was also a geographic spread of respondents across the UK, encompassing all four nations and a range of both urban, suburban and rural regions.

A.1.1 RECENT COMPLAINANTS (46 RESPONDENTS):

In order to explore the experiences of recent PPI complainants, respondents had to have made their complaints in the last 12 months, with at least seven having done so in the last six months. Respondents needed to have taken out the credit product between 1990 and 2010, and at least four respondents had purchased the product ten or more years ago.

In order to capture a range of experiences, half of the recent complainants were recruited to have made their application via CMC, with the other half having complained directly to their provider. Within each discussion group, respondents had used the same channel (CMC or direct) in order to maintain consistency of experience and aid discussion. These groups were also broken down by their level of certainty in having been mis-sold PPI pre-complaint. The breakdown was as follows:

4 X DISCUSSION GROUPS		
	Direct	CMC
Uncertain pre-complaint	x 1 discussion group	x 1 discussion group
Certain pre-complaint	x 1 discussion group	x 1 discussion group
14 X DEPTH INTERVIEWS		
	Direct	CMC
	x 6 depth interviews	x 6 depth interviews

A.1.2 POTENTIAL FUTURE COMPLAINANTS (140 RESPONDENTS)

To explore the barriers to complaining and the perceptions and experiences of potential complainants, we recruited a wide range of respondents who had never made a complaint about PPI but were potentially eligible to do so. Respondents were screened to have had at least one relevant credit product between 1990 and 2010, and to be either unsure or certain that PPI had been sold on that product. Respondents who were sure they had not had PPI on said products were excluded. Depth interviews and discussion groups were clustered in relation to participants' relative certainty of having had PPI and likelihood to complain about it in the future. Discussion groups were further broken down by household income.

16 X DISCUSSION GROUPS			
		Income >30k	Income <30k
Certain of PPI	<i>Likely to complain</i>	<i>x 2 discussion groups</i>	<i>x 2 discussion groups</i>
	<i>Unlikely to complain</i>	<i>x 2 discussion groups</i>	<i>x 2 discussion groups</i>
Uncertain of PPI	<i>Likely to complain</i>	<i>x 2 discussion groups</i>	<i>x 2 discussion groups</i>
	<i>Unlikely to complain</i>	<i>x 2 discussion groups</i>	<i>x 2 discussion groups</i>

12 X DEPTH INTERVIEWS		
	Likely to complain	Unlikely to complain
Certain of PPI		x 6 depth interviews
Uncertain of PPI		x 6 depth interviews

A2. RECRUITMENT SCREENER

ALL RESPONDENTS

1: Demographic Details

Q1. Can I ask your gender?

ASK ALL RESPONDENTS

- Male
 Female

***DEPTHS: 50:50 divide**

***GROUPS: 50:50 divide within focus groups**

Q2. Can I ask what age band you fall in to?

ASK ALL RESPONDENTS

- Under 18 – **screen out**
 18 – 24
 25 – 34
 35 – 44
 45 – 54
 55 – 64
 65+

***DEPTHS: Broad spread**

***GROUPS: Broad spread across focus groups**

Q3. Where in the country do you currently live?

ASK ALL RESPONDENTS

- North West
- North East
- Yorkshire and Humberside
- West Midlands
- East Midlands
- East of England
- London (Greater and Central)
- South East (excluding London)
- South West
- Scotland
- Wales
- Northern Ireland
- Channel Islands

***DEPTHS: Clustered around focus group locations (London, Birmingham, Manchester, Scotland, Cardiff, Belfast)**

***GROUPS: According to specification**

Q4. What is your current employment status?

ASK ALL RESPONDENTS

- Self-employed
- Employed full-time (30+ hours a week)
- Employed part-time (fewer than 30 hours a week)
- Not working
- Student
- Retired
- Other, PLEASE SPECIFY

***Record only**

Q5. What is your current or most recent job title?

ASK ALL RESPONDENTS

***Broad spread of social economic grade A/B/C1/C2/D across all fieldwork**

Q6. Which of the following ranges best describes your total annual household income before taxes during your most recent employment?

ASK ALL RESPONDENTS

- Less than £10,000
- £10,001 - £20,000

- £20,001 - £30,000
- £30,001 - £40,000
- £40,001 - £50,000
- £50,001 - £60,000
- £60,001 - £70,000
- £70,001 - £80,000
- £80,001 - £90,000
- £90,001 - £100,000
- £100,000+

***DEPTHS: Broad spread**

***WAVE 1 GROUPS: Broad spread**

***WAVE 2 GROUPS: 8 x groups of <£30,000 and 8 x groups of >£30,001**

Q7. Which of the following best describes your ethnicity?

ASK ALL RESPONDENTS

- White – British
- White – Irish
- Any other white background
- White and Black Caribbean
- White and Black African
- White and Asian
- Any other mixed background
- Asian – Indian
- Asian – Pakistani
- Asian – Bangladeshi
- Any other Asian background
- Black – Caribbean
- Black – African
- Any other Black background
- Chinese
- Any other, PLEASE SPECIFY

***DEPTHS: Broad spread according to UK population**

***GROUPS: Broad spread according to UK population**

Q8. Which of the following best describes your religion?

ASK ALL RESPONDENTS

- No religion
- Christian (including Church of England, Catholic, Protestant and all other Christian denominations)
- Buddhist
- Hindu
- Jewish
- Muslim
- Sikh
- Any other religion

***DEPTHS: Broad spread according to UK population. No more than 3 Jewish respondents in depth interviews.**

***GROUPS: Broad spread according to UK population. No more than 8 Jewish respondents across focus groups.**

Q9. How much do you agree or disagree with the following statements about your attitude towards your finances?

ASK ALL RESPONDENTS

	Disagree strongly	Disagree slightly	Neither agree nor disagree	Agree slightly	Agree strongly
Q9a. I take an active interest in my finances and regularly read the financial news	1	2	3	4	5
Q9b. I have a good understanding about the investments I hold	1	2	3	4	5
Q9c. I think I am more clued up about money than the average person.	1	2	3	4	5

***ALL: Broad spread across the research**

***WAVE 2 DEPTHS: 2 x interviews with low financial capability**

Q10. On a scale of 1-5, where 1 is very bad and 5 is very good, how good are you at the following activities

ASK ALL RESPONDENTS

	1	2	3	4	5
Sport					
Time management					
Reading	Screen in as low basic skills				
Household chores					
Writing					
Spatial awareness					
Public speaking					
Maths	Screen in as low basic skills				

***WAVE 2 DEPTHS: 2 x interviews with 'low basic skills' (literacy / numeracy)**

2. FINANCIAL PRODUCTS & PPI

Q11. Have you ever had any of the financial products listed below? Please select all that apply.

ASK ALL RESPONDENTS

- Personal loan - **continue**
- Current account
- Savings account
- General insurance policy
- An investment product
- Pension
- Credit card – **continue**
- Overdraft – **continue**
- Mortgage - **continue**
- None of these – **screen out.**

***All respondents to have had at least 1 product that *could* have had PPI as indicated above**

Q12. Did you get any of these products during the following time periods?

ASK ALL RESPONDENTS

PRODUCT	1990 – 1999	2000 - 2010	Don't know
Personal loan			
Credit card			
Overdraft			
Mortgage			

***All respondents to have taken out at least 1 x credit card, personal loan, overdraft and/or mortgage between 1990 and 2010.**

***WAVE 1 DEPTHS: At least 4 x respondents who took out the product before 2000/2005. All other respondents to be a broad spread between 1990 and 2010.**

***WAVE 1 GROUPS: At least 1 x respondent within each group who took out the product before 2000 / 2005. All other respondent to be a broad spread between 1990 and 2010.**

***WAVE 2 DEPTHS: At least 4 x respondents who took out the product before 2000/2005. All other respondents to be a broad spread between 1990 and 2010.**

***WAVE 2 GROUPS: At least 1 x respondent within each group who took out the product before 2000 / 2005. All other respondent to be a broad spread between 1990 and 2010.**

Q 13. Have you ever had any of the following financial products?

ASK ALL RESPONDENTS

- Professional liability insurance
- Personal accident insurance
- Mobile phone insurance
- Payment protection insurance (often referred to as PPI) – screen to Q14a. No tick, screen to Q14b.

***Wave 1: All respondents to have had PPI.**

***Wave 2: Screen to Q14a or Q14b.**

Q14a. How confident are you that you have or had a payment protection insurance (PPI) policy or policies?

ASK YES TO QXX

- Very confident – W2 screen to 'yes'
- Quite confident – W2 screen to 'yes'
- Not 100% sure – W2 screen to 'uncertain'
- Really don't know – W2 screen to 'uncertain'
- I do not have PPI – screen out

***WAVE 1: Record only**

Q14b. How confident are you that you have never had a payment protection insurance (PPI) policy?

ASK NO TO QXX

- Very confident, I have never had PPI – screen out
- Quite confident – screen out
- Not 100% sure – W2 screen to 'uncertain'
- Really don't know – W2 screen to 'uncertain'

***Recruitment Note: Q14a & b:**

***WAVE 2 DEPTHS: Broad spread of respondents who are 'yes' and 'uncertain' about having / having had PPI.**

***WAVE 2 GROUPS: 8 x groups who are 'yes' and 8 x groups who are 'uncertain' about having / having had PPI.**

Q15. Which of the following products have you got/had or might you have / had a payment protection insurance (PPI) policy on?

ASK ALL RESPONDENTS. TICK ALL THAT APPLY.

- Personal loan
- Credit card
- Overdraft
- Mortgage

Don't know – screen out.

***Record only**

Q16. How many payment protection insurance (PPI) policies have you got/had or might you have/had?

ASK ALL RESPONDENTS

- 1
- 2
- 3
- 4+

***Record only**

Q17. Did you get or could you have gotten any of these products with payment protection insurance (PPI) during the following time periods?

ASK ALL RESPONDENTS

PRODUCT	1990 – 1999	2000 - 2010	Don't know
Personal loan			
Credit card			
Overdraft			
Mortgage			

***All respondents to have had at least 1 x PPI policy that they got between 1990 and 2010**

Q18. Do you have or have you ever had any concerns about being mis-sold payment protection insurance (PPI) on one of these products?

ASK ALL RESPONDENTS

- Yes
- No
- Don't know

***Record only**

Q19. Have you ever complained about any of your payment protection insurance (PPI) on one of these products?

ASK ALL RESPONDENTS

- Yes – screen to **Wave 1**
- No – screen to **Wave 2**

WAVE 1: RECENT COMPLAINANTS

Q20. How many policies of your payment protection insurance (PPI) have you complained about?

ASK WAVE 1 RESPONDENTS

- 1
- 2
- 3
- 4+

***Record only**

Q21. How long ago did you complain about your payment protection insurance (PPI) policy or policies?

ASK WAVE 1 RESPONDENTS

- Within the last 5 years – **screen out**
- Within the last 2 years – **screen out**
- Within the last 12 months – **continue**
- Within the last 6 months – **continue**

***All respondents to have tried to reclaim in the past 12 months on at least 1 policy.**

***DEPTHS: At least 50% to have tried to reclaim in the past 6 months**

***GROUPS: At least 50% to have tried to reclaim in the past 6 months**

Q22. During the process of complaining about your payment protection insurance (PPI) on a product/s in the last 12 months, did you refer your complaint to the Financial Ombudsman Service?

ASK WAVE 1 RESPONDENTS

- Yes – **continue to Q23 (next one)**
- No – **continue to Q26**
- Don't know

***DEPTHS: 5 x respondents to have had some interaction with the Financial Ombudsman Service**

***GROUPS: At least 2 x respondents per group to have made contact with the Financial Ombudsman Service**

Q23. In relation to the PPI complaint you have made in the past 12 months, would you say that your complaint has concluded / been resolved?

ASK WAVE 1 RESPONDENTS.

PRODUCT	POLICY 1	POLICY 2	POLICY 3	POLICY 4
Yes – by my provider				
Yes – by the Financial Ombudsman				
No				
Don't know				

***DEPTHS:** All 10 x successful respondents to have had an outcome on one of their reclaims in the last 12 months. Maximum of 4 respondents to have the complaint resolved by the Financial Ombudsman. Maximum 3 x 'unsuccessful' respondents to answer no.

***GROUPS:** Most respondents to have had an outcome. Maximum of 2 x respondents per group who are still 'ongoing'.

Q24. In relation to the PPI complaint you have made in the past 12 months, how did you go about complaining?

ASK WAVE 1 RESPONDENTS

- I applied directly to my bank / the provider of the PPI
- I applied via an intermediary (financial advisor / solicitor) or Claims Management Company (CMC)
- Other – follow up with ESRO

***DEPTHS:** Broad spread of respondents who have complained by an intermediary / CMC and direct to provider

***GROUPS:** 2 x groups of directly to provider. 2 x groups of via CMC.

Depth interviews

Q25. Did you receive any compensation as a result of your complaint/s in the past 12 months?

ASK WAVE 1 DEPTHS RESPONDENTS

- Yes – continue to 'successful' and Q26
- No – continue to 'unsuccessful' and Q27

***10 x 'successful' respondents and 4 x 'unsuccessful' respondents.**

26. How much compensation have you received as a result of any of / your complaint/s in the past 12 months?

ASK ALL WAVE 1 SUCCESSFUL DEPTHS RESPONDENTS

- < £500
- £501 - £1000
- £1001 - 2000
- £2001 - £5000
- £5001 - £10000
- > £10000
- I did not receive compensation

***Record only**

Focus groups

Q27. Across the payment protection insurance (PPI) policies you have complained about in the past 12 months, how confident were you that you had PPI prior to trying to the complaint?

ASK ALL WAVE 1 GROUPS RESPONDENTS

- Very confident I had PPI – **continue to 'yes' group**
- Quite confident I had PPI – **continue to 'yes' group**
- Not 100% sure I had PPI – **continue to 'uncertain' group**
- I really didn't know if I had PPI – **continue to 'uncertain' group**

***2 x 'yes' groups, and 2 x 'uncertain' groups**

Q28. If you've received any compensation as a result of your complaint, how much compensation have you received in the past 12 months?

ASK ALL WAVE 1 GROUP RESPONDENTS

- < £500
- £501 - £1000
- £1001 - 2000
- £2001 - £5000
- £5001 - £10000
- > £10000
- I did not receive compensation

***Record only**

WAVE 2: PROSPECTIVE FUTURE COMPLAINANTS

Q29. How likely, if at all, would you say that you are to try to complain about payment protection insurance (PPI) in the future?

ASK ALL WAVE 2 RESPONDENTS

- Very likely
- Fairly likely
- Not very likely
- Not at all likely
- I definitely will not complain – **screen out**
- Don't know

***DEPTHS:** 6 x respondents who are 'very' or 'fairly' likely. 6 x respondents who are 'not very' or 'not at all' likely.

***GROUPS:** 8 x groups of 'very' or 'fairly' likely. 8 x groups of 'not very' or 'not at all' likely.

***BOTH:** 'Not at all' could also be included in 'less likely' if they are also 'uncertain' about having PPI and have had some concerns in Q18.

Appendix B: Research Approach

B.1 QUALITATIVE METHODS

In total, the research team conducted 26 two-hour depth interviews and 20 90 minutes discussion groups with consumers, covering those who had recently made PPI complaints (within the last 12 months), and those who were potential future complainants, but as yet had not complained. Fieldwork was conducted throughout March and April 2015. During this time, the researchers spoke with 186 individual respondents, broken down as follows:

Wave 1: Recent complainants

- 14 x two hour depth interviews
- 4 x 90 minute discussion group

Wave 2: Potential future complainants

- 12 x two hour depth interviews
- 16 x 90 minute discussion groups

Depth interviews were conducted in participants' homes. This ensured a relaxed, comfortable experience for respondents, while also enabling researchers to explore individuals' contexts and view any relevant artefacts for the research (e.g. PPI redress-related paperwork). Discussion groups were conducted at a variety of facilities, typically in fairly informal environments (e.g. conference rooms). All interviews and groups were audio recorded, field notes were written, transcribed and photography taken where participant consent was given.

Detailed discussion guides were developed for both depth interviews and discussion groups, providing a structured base for conversations. The discussion guide for depth interviews was designed to allow open-ended questioning and discussion, enabling unanticipated insights to arise spontaneously. The guide for discussion groups was a little more prescriptive in flow and timings, to allow the management of a discussion between multiple participants, while still allowing for flexibility and a degree of spontaneity.

AREAS COVERED BY DISCUSSION GUIDES

Wave 1: Recent complainants

- Background and introduction:
 - Living situation
 - Employment
 - Lifestyle
 - Family
- Attitude to complaining generally:
 - Previous complaint behaviour
 - Propensity to complain in a range of given situations
 - Opinions of those who complain
- PPI awareness:
 - Knowledge and understanding of PPI product
 - Awareness of mis-selling
 - Awareness and understanding of own PPI situation

- PPI redress journey:
 - Experience and memory of PPI sale
 - Decision making regarding making a complaint
 - The experience of making a complaint
 - The outcome of complaints
 - The likelihood of future potential complaints
- Interventions:
 - Improvements to the complaint handling process
 - Idea generation for potential interventions
 - Concept testing of suggested interventions

Wave 2: Potential future complainants

- Background and introduction:
 - Living situation
 - Employment
 - Lifestyle
 - Family
- Attitude to complaining generally:
 - Previous complaint behaviour
 - Propensity to complain in a range of given situations
 - Opinions of those who complain
- PPI awareness:
 - Knowledge and understanding of PPI product
 - Awareness of mis-selling
 - Awareness and understanding of own PPI situation
 - Barriers to complaining
 - Spontaneous barriers discussion
 - Exploration of suggested barriers
 - Overcoming suggested barriers
- Interventions:
 - Idea generation for potential interventions
 - Concept testing of suggested interventions

B.2 NUMERICAL DATA COLLECTION

To support the qualitative data, the research team used a range of tools to collect more structured and numerical data. This meant that we could align our qualitative insights with statistics that demonstrated, to some degree, the validity of ideas or challenged the team's thinking.

This numerical data was combined with recruitment information and other data collected during the research fieldwork (see below) to create a database of quantitative information for each respondent. Where relevant this numerical data collection have been referenced throughout the report.

B.2.1 PRE-TASK

Alongside fieldwork, all respondents were asked to complete a short online questionnaire which included a selection of questions taken from the FCA's concurrent quantitative survey, along with a series of questions assessing relevant personality traits derived from academic literature. These were:

- The 'Big Five' personality traits: extraversion, openness to experience, conscientiousness, agreeableness and neuroticism (a well-established and widely used assessment of the full 'spectrum' of an individual's personality)¹⁴
- Action Orientation (the degree to which someone is likely to take practical action when faced with a problem or situation)¹⁵

B.2.2 ADDITIONAL DATA CAPTURE

A range of additional data capture tools were designed to collect more structured and numerical data. These were used throughout the discussion groups and interviews.

For recent complainants these tools included:

- 'Wheel of life' – designed for recording a quick 'snapshot' of respondent's lives
- 'PPI journey' – enabling us to map the detail of existing complainants' experiences and influences

For potential future complainants tasks included:

- 'Ballot' task – assessing willingness to complain at different levels of uncertainty and likely redress value
- 'Intervention voting' task – assessing the most popular and potentially effective intervention suggestion
- 'Likelihood to complain' rating – a measure of how likely respondents felt they were to make a PPI complaint at a particular moment. This was administered at the start, midpoint and close of each discussion group to see if individuals' intention to complain changed throughout the discussion.

¹⁴ Goldberg, L. R., Johnson, J. A., Eber, H. W., Hogan, R., Ashton, M. C., Cloninger, C. R., & Gough, H. C. (2006). The International Personality Item Pool and the future of public-domain personality measures. *Journal of Research in Personality*, 40, 84-96.

¹⁵ Bagozzi, R. P., Baumgartner, H., & Yi, Y. (1992). State versus action orientation and the theory of reasoned action. *Journal of Consumer Research*, 505-518.