



Richard Lloyd
Which?

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MoneySavingExpert.com



Martin Lewis
MoneySavingExpert.com

Independent help to check your Payment Protection Insurance offer

This leaflet has been written by consumer champions **Which?** and **MoneySavingExpert.com**. Your bank has agreed to include the leaflet with this letter to help you check your offer is fair - and help you know your rights if you feel it isn't.

BEFORE WE BEGIN, HERE ARE THE TWO MOST IMPORTANT THINGS YOU NEED TO KNOW:

- 1. Tell your bank if any facts are wrong.** If any of the information in your letter is wrong, or you want to send further information, please get in touch with your bank as soon as possible. If you feel something's unfair, tell your bank and give it a chance to change things.
- 2. If you're still not happy, speak to the free Ombudsman service.** If your bank still hasn't sorted things out, you've a right to ask the free Financial Ombudsman Service to help. It's the official independent expert in settling complaints between consumers and financial services businesses. You can call it on 0800 0234 567 (0300 1239 123 from a mobile), or go to www.financial-ombudsman.org.uk.

QUICK TIP!

Even if you think the offer's wrong - you don't need to use a claims management company (CMC).

You can do everything in this leaflet yourself with a few phone calls, and it's all free!

CMCs follow the same process set out here. They just charge up to 30% of the ENTIRE amount you're offered.

WHAT IS THE MONEY YOU ARE BEING REPAID FOR?

Your bank has upheld your complaint. This means it's offering you a payment based on the fact you were mis-sold PPI. The money is intended to put you back into the position you would have been in had you not paid for PPI.

It's made up of three main parts:

Premiums: A refund of the amount you paid for the PPI sold alongside your loan.

Interest: A refund of the interest you were charged because of the PPI.

An extra 8%: Interest on both of the above amounts at the 'statutory compensation' rate of 8% a year.

HOW LONG WILL THE BANK TAKE TO PAY THE MONEY?

Unless you have special circumstances, your bank should send the payment within 28 days of receiving your confirmation (your letter will tell you if you need to do anything). This will either be a cheque to your home address, or straight to your account. If the money doesn't come, then call your bank for an update and ask for extra 'statutory compensation' to cover the delay.

JUST SO YOU KNOW!

By writing this leaflet, MoneySavingExpert and Which? aren't vouching that your bank has made the right decision, or is offering the right amount.

Our aim is to ensure the decision is based on the correct facts and you know your rights if you feel something's wrong.

If you feel the offer isn't fair, follow the suggestions over the page or read the FREE guidance at www.moneysavingexpert.com/PPI & www.which.co.uk/PPI.

What to do next...

1

CHECK THE FACTORS THAT CAN AFFECT THE AMOUNT YOU GET

Read all the pages of your letter

All bank letters contain the information your bank used to calculate your offer. This may include things like the date of your first PPI payment, the cost of the PPI and the most recent interest rate on the loan (this may have changed during the time it was running). Check ALL the information is correct and call your bank to fix things if not, as it could affect your offer.

Did you have multiple loans?

If you had more than one loan with the bank, they may be included in this letter. Look for the dates covered and contact your bank if you think something's missing.

Did you make a claim on the policy?

If a claim was successful any amount you have already received will be taken off your refund. If it was turned down but it has now been found the PPI was mis-sold, your refund may include an amount to cover this mistake.

Do you owe the bank money or had debt problems with it?

If you've missed payments (known as arrears), or you've been through a bankruptcy, Individual Voluntary Arrangement, or Debt Relief Order, the letter may explain your refund is to be used to clear the debt. If you're in financial hardship, and not getting a direct payment will make that worse, you have a right to be treated fairly. Tell your bank how you're struggling and it may be able to help in some way. If you don't think it's treated you fairly, you can take your case to the free Financial Ombudsman Service.

2

NOW CHECK THE ASSUMPTIONS THE BANK HAS MADE

If your bank has needed to make any assumptions to calculate your offer, they will be explained in your letter. This isn't a problem, but does mean you need to double-check the assumptions apply to you.

Has your bank said you would have bought another type of PPI?

Your bank may decide it should have sold you monthly loan cover (known as a regular premium) rather than add the full cost at the start of the loan (also called a single premium). If so, your offer will be the difference between what you actually paid and what you would have paid. This is called comparative or alternative redress. The rules say your bank is able to do this in certain circumstances, and can assume you would have paid up to £9 for every £100 of your loan repayment per month. If your offer letter says this applies to you and you disagree with the assumption you would have bought monthly PPI, tell your bank why. It's NOT compulsory for you to accept this decision.

3

IF YOU THINK ANYTHING IS INCORRECT OR YOU HAVEN'T BEEN FAIRLY TREATED – TELL YOUR BANK FIRST

If this is simply a case of your bank not having the right facts just tell it as soon as possible and let it adjust them. Your offer should then be recalculated and you'll get a new offer letter based on this information (though in some circumstances that may show you paid less for the PPI and therefore will get less back).

4

IF YOU STILL DON'T THINK THE AMOUNT IN THE BANK'S FINAL OFFER IS FAIR, GO TO THE OMBUDSMAN

If you're not happy with the response from your bank, this isn't the end of your complaint. You've got the right to contact the free Financial Ombudsman Service to ask a question or challenge the decision from your bank. The Ombudsman will check if the offer is fair and, if not, will decide how the bank should recalculate your refund.

There's no cost in doing this but, due to the current volume of PPI complaints, the process can take a while. In some cases it may take over a year to decide - but you can send your complaint to the Ombudsman to resolve and it will contact you with any new offers from your bank. Remember, it's free and easy to do yourself, you don't need the help of a claims management company - they won't speed up the process, nor increase your chances of success or your offer. The Ombudsman handles all complaints in the same way.

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