

A SUMMARY OF THE RIGHTS AFFORDED TO CONSUMERS BY THE PAYMENT PROTECTION INSURANCE MARKET INVESTIGATION ORDER 2011

1 NOTE

- 1.1. This advice is not a substitute for the [Payment Protection Insurance Market Investigation Order 2011](#) (the 'Order') which should be referred to in the event of a dispute about the exercise of your rights under it.
- 1.2. The Office of Fair Trading deals only with issues directly related to compliance with the Order. If you think you have been mis-sold PPI and want to try to claim back some of all of your premiums, you should visit <http://www.justice.gov.uk/downloads/guidance/inspection-monitoring/claims-management-regulation/consumer-ppi-factsheet.pdf>.

2 WHAT PAYMENT PROTECTION INSURANCE IS FOR

- 2.1. Payment protection insurance (PPI) is designed to protect your ability to make loan repayments if you suffer involuntary unemployment or incapacity as a result of accident or sickness. The Order covers short-term income protection products as well as PPI on primary and secondary mortgages, personal loans, credit cards and retail credit accounts (also known as 'home shopping accounts'). It does not cover PPI on store cards or overdrafts. Note that PPI can be combined with other forms of insurance.
- 2.2. More detailed advice for consumers on buying PPI is here: http://yourmoney.moneyadviceservice.org.uk/products/insurance/payment_protection.html.
- 2.3. The detailed business advice we provide to PPI providers is here: <http://www.offt.gov.uk/business-advice/treating-customers-fairly/PPI/>
- 2.4. If you already have PPI or are thinking about buying it, the above Order gives you the rights set out below.

3 FOR ALL PPI, PPI PROVIDERS MUST

- not sell you policies paid by a single premium.
- provide you with a claims ratio (i.e. the ratio of incurred claims to earned premiums) if you ask for one
- in any advertisement or other marketing communication
 - state that PPI is optional,
 - state that there are other providers and products designed to protect you against loss of income
 - provide information about the cost of PPI
 - signpost you to impartial information about insurance at www.moneyadvice.service.org.uk
- *from 6 April 2012*, provide you with a personal quote in the form set out in the Order during or as soon as possible after making any marketing statement direct to you - and in the case of retail PPI no later than 14 days after providing you with a policy (to make it easier for you to compare quotes)
- *from 6 April 2012*, if you already have a PPI policy, supply you with
 - an annual reminder which sets out your cancellation rights, states that PPI is optional and that cheaper or more appropriate cover may be available from other providers
 - a written annual review of PPI costs (unless you are a retail PPI customer who has spent less than £50 on premiums in the preceding 12 months)

4 BEFORE YOU BUY RETAIL PPI¹, PPI PROVIDERS MUST

- *from 6 April 2012*, offer you PPI separately from merchandise cover if both are offered together
- give you a personal PPI quote no later than 14 days after selling you a retail PPI policy in a form set out in the Order

5 BEFORE YOU BUY PPI OTHER THAN RETAIL PPI, PPI PROVIDERS MUST

- *from 6 April 2012*, not sell you PPI at or before the point of sale of credit, or for seven days after the later of the completion of the credit sale and you getting a personal PPI quote. However, once you have your quote you can buy PPI from your credit provider within the seven days if you choose to do so. (This gives you the chance to think about whether you want PPI and to shop around for the best deal.) This rule does not apply to PPI providers who are not also credit providers, or arrangers or associates thereof.

¹ Policies taken out to protect your ability to make payments due on a retail credit account