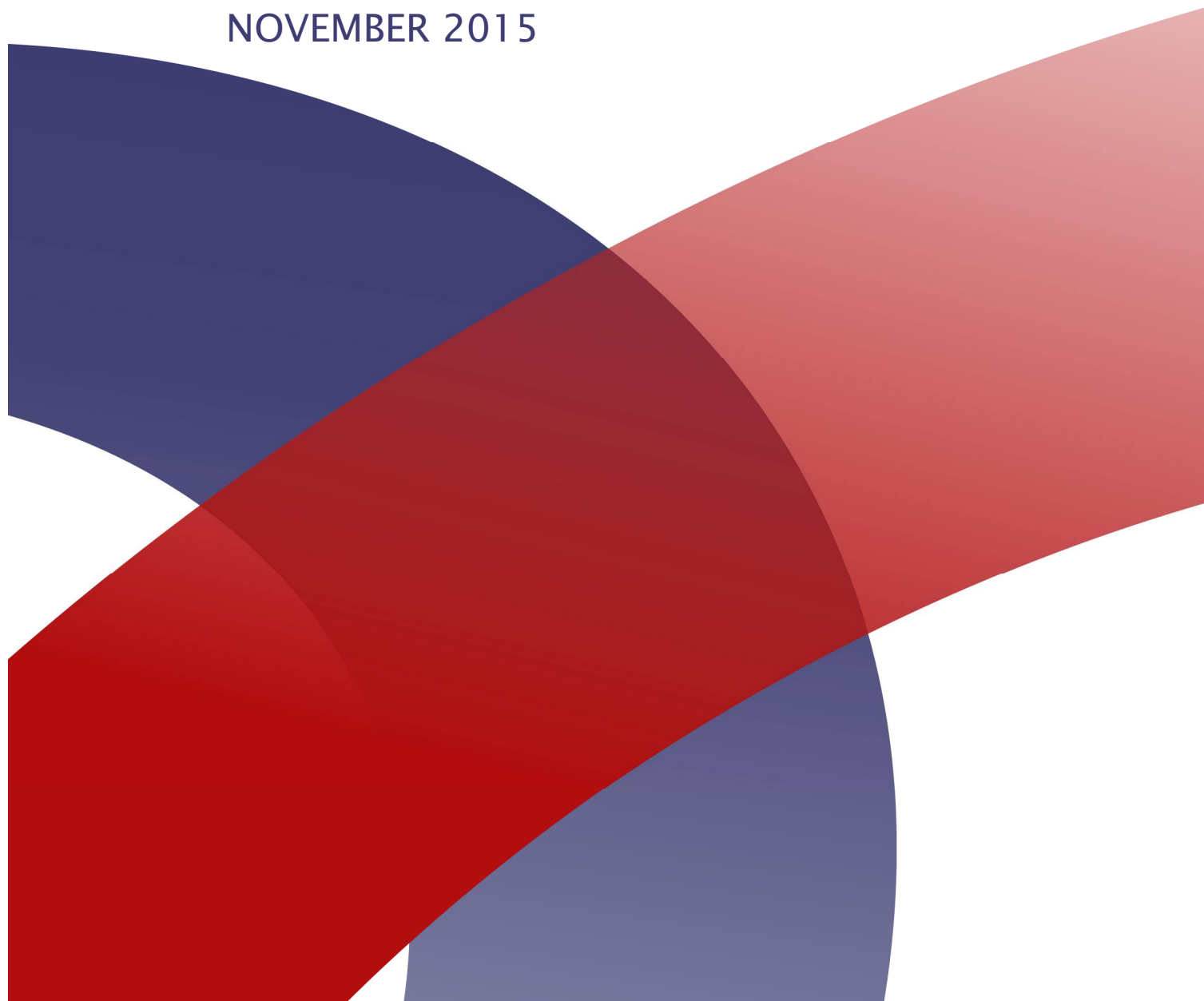




PAYMENT PROTECTION INSURANCE RESEARCH

ANALYTICAL REPORT

NOVEMBER 2015



ABOUT COMRES

ComRes provides specialist research and insight into reputation, public policy and communications. It is a founding member of the British Polling Council, and its staff are members of the UK Market Research Society, committing it to the highest standards of research practice.

ComRes won the 2014 Market Research Society Award for Public Policy / Social Research for its innovative research into online communications.

The consultancy also conducts regular public research for organisations including The Independent, ITV News, the BBC, and other media outlets, as well as a wide range of public sector and corporate clients. ComRes is a member of the British Polling Council and abides by its rules.

For further information about ComRes, this research or any other research requirements please contact Katharine.Peacock@comres.co.uk.



BACKGROUND AND OBJECTIVES

In February 2015, the Financial Conduct Authority (FCA) commissioned ComRes to conduct a large-scale quantitative study into Payment Protection Insurance (PPI) from a consumer perspective, and more specifically the trends in PPI complaints. In July 2015, the FCA decided to expand the scope of the project and commissioned ComRes to double the interview sample, and explore consumers' attitudes towards the PPI-related Plevin case.

The key objectives of the study were:

- To understand the market in terms of PPI holders, PPI complainants and potentially eligible future PPI complainants;
- To explore understanding and perceptions of PPI and the complaints process;
- To discover prompts, barriers and motivations to making a PPI complaint;
- To assess intended future behaviour regarding complaining about PPI;
- To analyse the potential impact of the Plevin vs. Paragon Personal Finance case on complaining behaviour regarding PPI;
- To understand the appetite for insurance to cover repayments on borrowings in the wake of PPI.

This quantitative survey forms part of a wider programme aimed at assessing whether the current FCA approach to PPI redress is continuing to meet the objectives of securing appropriate protection for consumers and enhancing the integrity of the UK's financial system.

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.



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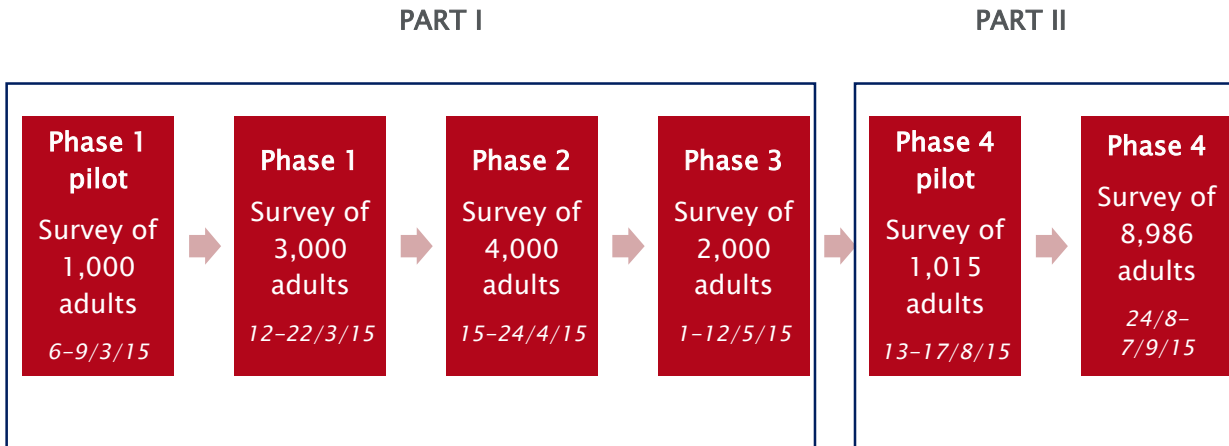
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METHODOLOGY

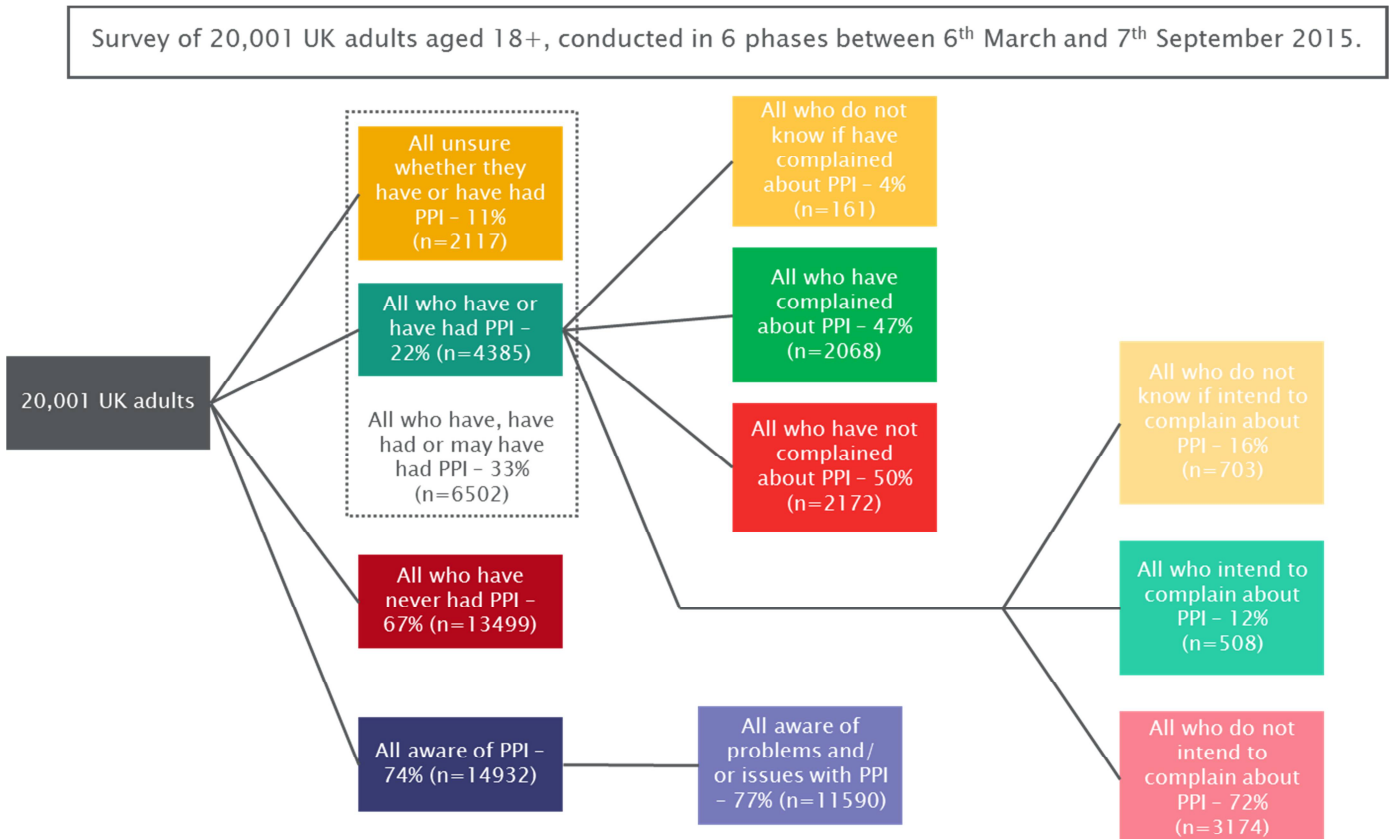
ComRes conducted this research through a multi-phase online study of 20,001 UK adults aged 18 and over, as described in Figure 1.

Figure 1: Multi-phase project



The fieldwork was conducted in six distinct phases, with breaks between each to analyse the data and assess potential areas for further exploration. Key subgroups from the research are shown in Figure 2.

Figure 2: Key subgroups



The base sizes given are unweighted. The percentages are those of weighted data.

A complete methodology can be found in the separate technical report on this study, which includes detailed information regarding questionnaire design, weighting, and statistical reliability. The final questionnaires used in each phase of the research are also included in the technical report.

REPORTING CONVENTIONS

WEIGHTING

Throughout this report, all of the figures that are reported are of weighted results. For this study, sample data were weighted to the profile of all UK adults aged 18+. Data were weighted by gender, age, socio-economic grade and region. Further information on the weighting applied during this study is provided in the separate Technical Report.

SUBGROUP ANALYSIS

Differences between subgroups are only reported where they are statistically significant at the 95% level.

NETS

Throughout this report, we make use of nets to aggregate certain sets of figures – our conventions for doing so are outlined below:

- Where the report refers to “x% agree with”, this is a NET measure of those who ‘strongly agree’ or ‘tend to agree’ [the same logic applies to “disagree”].
- Where it refers to “x% find y easy”, this is a NET measure of those who answer ‘very easy’ or ‘fairly easy’ [the same logic applies to “difficult”].
- Where it refers to “x% are likely to”, this is a NET measure of those who answer ‘very likely or ‘fairly likely’ [the same logic applies to “unlikely”].
 - Alternatively, “most likely” with reference to timeframes may refer to those who select 8–10 on a scale of 0–10, where 0 = ‘not likely at all’ and 10 = ‘certain’.
- Where it refers to “x% were satisfied”, this is a NET measure of those who answer ‘very satisfied or ‘fairly satisfied [the same logic applies to “dissatisfied”].

BASES

A table of all bases is available in the separate Technical Report.

EXECUTIVE SUMMARY

Understanding and perceptions of PPI

Three quarters of the adult population aged 18 and over (74%) have heard of PPI. Of those who have heard of PPI, most (77%) are aware of issues and or problems with the product.

Understanding is not as widespread, however – only two in five of those who have heard of PPI (42%) say that they have a good understanding of the product. A similar proportion of those who have heard of PPI (46%) say that they have some understanding of it, with just one in eight (12%) saying that they have no understanding of what PPI is.

PPI holders

More than a fifth of adults (22%) have or have had PPI, although only one third of those who know that they have or have had PPI (36%) say that they have known this all along.

One in nine adults (11%) are unsure if they have had PPI – broken down into 8% of the population who are not 100% sure if they have had PPI and 3% who really don't know.

Among those who are unsure if they have had PPI, around half (49%) say that they are unlikely to check whether they have had it. Fewer than two in five (37%) say that they are likely to check, with the prospect of compensation being the main driver for checking – mentioned by one in two of those who intend to check say that compensation is the key motivating factor in doing so.

PPI complainants and perceptions of the complaints process

Approximately half of those who have or have had PPI (47%) have made a complaint about their policy, or in the case of those with multiple policies, about at least one of their PPI policies. In contrast, 50% have not made a complaint about any of their policies. A further 4% say that they do not know whether they have complained.

Two thirds of complainants (64%) have made a complaint directly via the provider of the PPI product, while three in ten (31%) have made a complaint via a Claims Management Company (CMC). The process of making a complaint is generally considered easy by those who have been through it – three in five of these complainants (59%) say that the process was easy. Nine in ten complainants whose complaint was resolved (91%) have received compensation, and the vast majority of those who have received compensation (85%) report being satisfied with the amount of compensation received.

Prompts, barriers and motivations to making a complaint

Nearly half of those who have, have had or may have had PPI (46%) express concerns about the way that PPI was sold to them. Similarly, 44% refer to concerns about the cost of PPI.

Among those people who have complained about at least one PPI policy, the triggers for complaining were media news stories explaining how to complain (cited as the trigger for 27% of complaints), letters from the provider explaining how to complain (20%), media advertisements explaining how to complain (19%) and cold calls from CMCs explaining how to complain (18%).

Among those who do not intend to complain or complain again, the main reason for not complaining is being happy and having no concerns about the policy that was sold to them (cited by 35% of those who do not intend to complain in the future and still have at least one policy left to complain about). The other commonly given reasons include thinking that the amount of compensation received would not be worth the time and effort it would take to achieve it (cited by 15%) and not being sure whether they should be concerned (11%).

Among those who intend to complain in the future about at least one policy, the main reasons given for not having complained already are not having the time or energy (cited by 40%), having needed to check whether they have or have had PPI (30%) and not being sure how to complain (21%).

When asked about the prompts that could make them complain for the first time, again or sooner than originally envisaged, two thirds of those people who have, have had or may have had PPI (64%) say that a letter from their provider explaining how to complain would make them more likely to complain. Similarly, more than half (54%) say that communications from the government explaining how to complain would make them more likely to complain. Only one in five (20%) say that a cold call from a CMC would make them more likely to complain.

Future complaints

Among those who have or have had PPI, only one in eight (12%) intend to complain in the future, whether for the first time or having already complained about a different policy. Around three quarters (72%) do not intend to complain in the future, while 16% do not know if they will complain. More than two in five of those intending to complain (44%) are most likely to do so in the next six months.

For those who are not 100% sure whether they have PPI or “really don’t know”, we introduced a hypothetical scenario where we suggested that these people discovered that they definitely have or have had a PPI policy. In this scenario, one quarter of people uncertain whether they have PPI (26%) are most likely to complain within the next six months.

The impact of Plevin vs. Paragon Personal Finance

We gave those people who have or have had a PPI policy information about the recent Plevin vs. Paragon Personal Finance case and its potential implications for them. The effect of this information is outlined below:

- For those who were already intending to complain about a PPI policy, two in five (41%) say that they now intend to complain sooner than they did before, citing increased awareness (28% of those now intending to complain sooner) and expectation of compensation (11%) as the key reasons for their changed position. Around half (47%) say that they still intend to complain at the same time as they did previously, and 13% say that they now intend to complain later than before.
- For those who were not intending to complain, only 13% say that they now intend to complain about one of their PPI policies. The majority – three in five (59%) – say that they still do not intend to complain.
- For those who previously did not know whether they intended to complain, three in ten (31%) change their mind and say that they now intend to complain. Three in five (57%) say that they still do not know whether they intend to complain.

Information about Plevin therefore does have a noticeable impact on likelihood to complain – around one in five of those previously either not intending to complain or not knowing whether they intended to complain (17%) now intend to complain after hearing information about Plevin.

Appetite for repayment insurance after PPI

To explore the consumer appetite for repayment insurance after PPI, we introduced a hypothetical scenario where those in work with at least one of three credit products were asked to think about what

would happen if they became unable to work for longer than a month due to accident, sickness or unemployment. One in five (19%) say that, in this scenario, they would probably not be able to pay some or all of their repayments. Only one in ten (10%) say that they have insurance to cover all of their repayments.

Among those working people with credit products who do not have insurance to cover all of their repayments, a quarter (26%) say that they have considered taking out insurance that protects their repayments or short-term income but have decided against it. The main reasons for this are cost and a lack of trust – a quarter of people who have not purchased insurance cover for any of their borrowings (23%) say that they decided not to buy these products because they were too expensive, with a further one in five (21%) saying that they do not trust the providers.

Key demographic subgroups

Less financially sophisticated individuals are a key audience in the context of PPI: they are much less likely than the more financially sophisticated to report having a good understanding of PPI (22% vs. 52%) and to have known all along that they have held PPI (32% vs. 39%), while being much more likely to be unaware of what their PPI policy entitles them to (60% vs. 43%).

Lower social grades are important in terms of the prompt for and channel of their complaints – those in social grades DE and C2 are more likely than those in social grades AB and C1 to say that they were prompted to complain by a cold call from a Claims Management Company (23% of DE and 20% of C2 vs. 15% of AB and C1) and to have complained through a CMC (37% of DE and 35% of C2 vs. 26% of AB and 28% of C1).

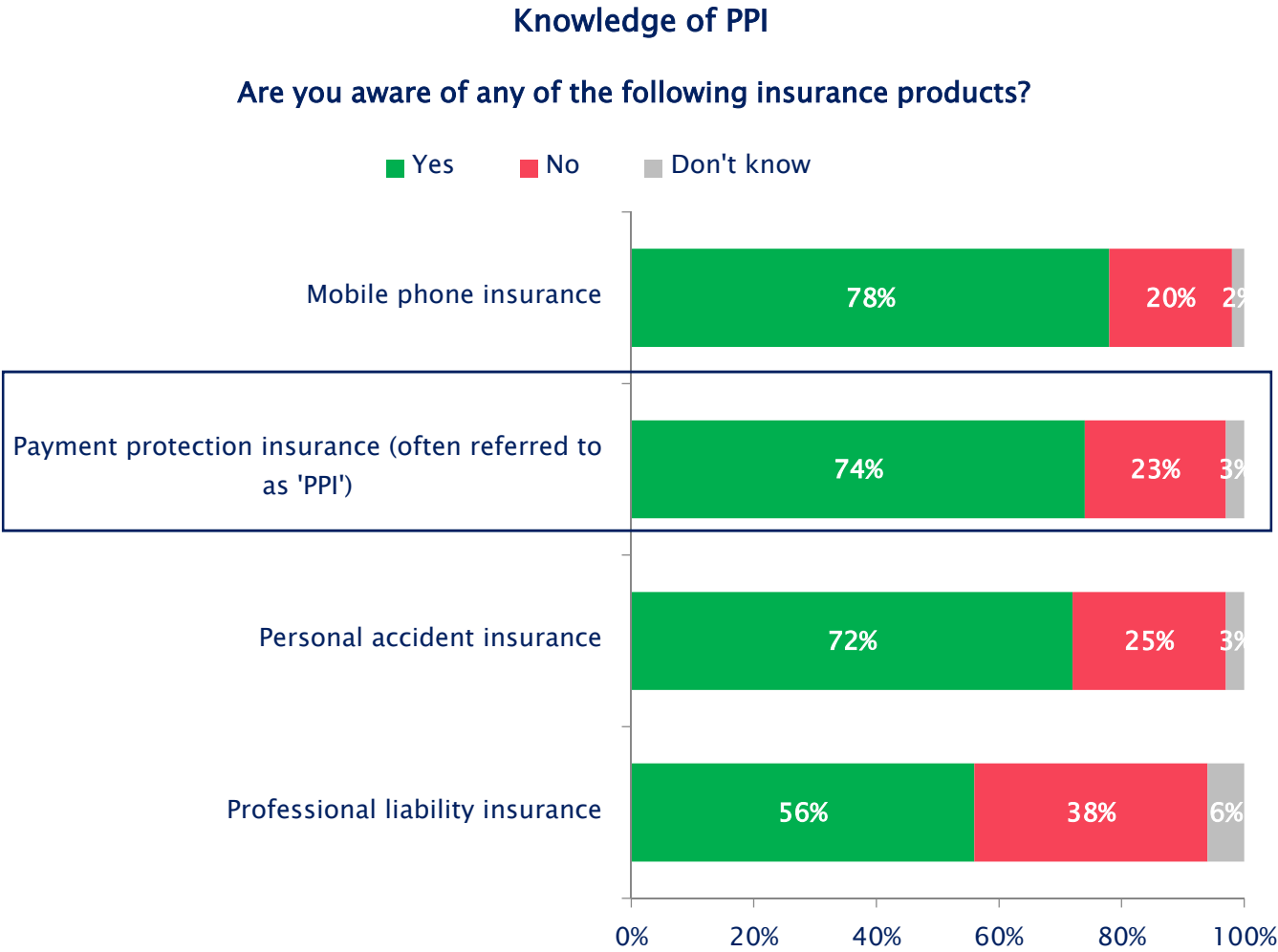
1. KNOWLEDGE OF PPI AND RELATED ISSUES



1.1 KNOWLEDGE AND UNDERSTANDING OF PPI

Awareness of PPI among adults is high. As Figure 3 shows, three quarters say that they have heard of PPI (74%). Awareness is higher among older age groups – five in six over the age of 65 say that they have heard of it (84%), whereas only six in ten (58%) of 18–24 year-olds have.

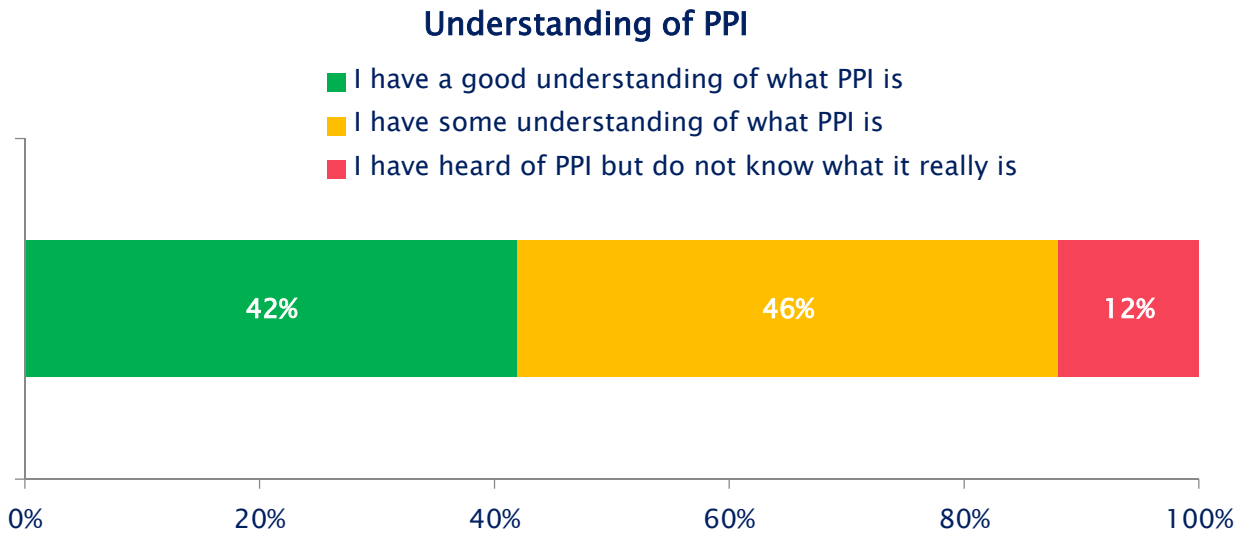
Figure 3: Knowledge of PPI



Q3: Are you aware of any of the following insurance products? Base: All UK adults (n=20001)

Detailed understanding, however, is not as widespread. As Figure 4 shows, two fifths of people who have heard of PPI say they have a good understanding of what it is (42%), while a slightly higher proportion (46%) say that they only have some understanding.

Figure 4: Understanding of PPI



Q4: Which of the statements below best describes your understanding of payment protection insurance (PPI)? Base: All who are aware of PPI (n=14932)

Consistent with the findings relating to awareness of PPI, of those aware of PPI, understanding is higher among older age groups. Almost half of those aged 65+ (47%) and half of those aged 55-64 (50%) say that they have a good understanding of PPI, compared to one in five 18-24 year olds (21%).

Reported understanding is particularly high among those with a high combined annual household income. More than half of those in households earning more than £60,000 per year (55%) have a good understanding of PPI, compared to just over a third of those in households earning less than £20,000 (36%).

The more financially sophisticated also tend to say that they have a good understanding of PPI, with half (52%) of them saying so, compared to only one in five of those who are less financially sophisticated (22%).¹

¹ More financially sophisticated and less financially sophisticated individuals were categorised using a financial sophistication indication question. Further information on how this was derived can be found in the separate technical report on this study, in Appendix C.

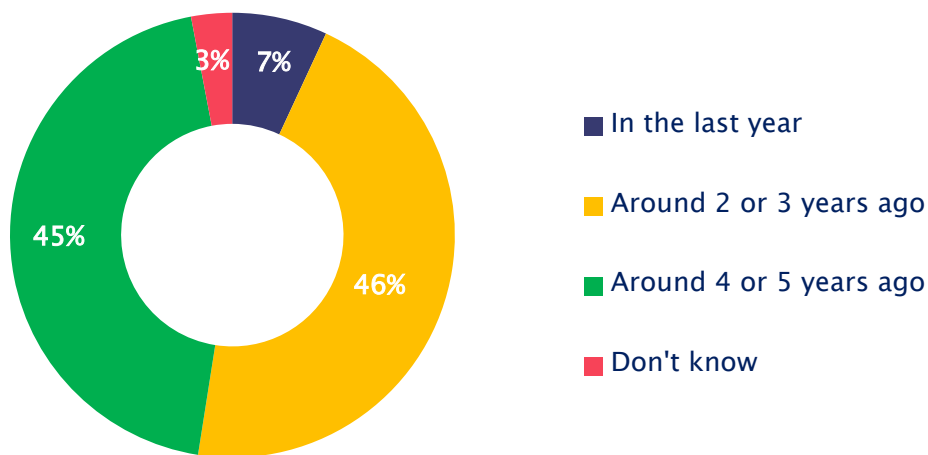
1.2 AWARENESS OF ISSUES WITH PPI

Most of those who are aware of PPI are also aware of problems and / or issues with it (77%). Only one in six (16%) are not aware of any issues, while fewer than one in ten (6%) say that they do not know.²

As Figure 5 shows, the vast majority of those aware of problems and / or issues with PPI became aware two years ago or more. Only 7% learnt of these in the last year.

Figure 5: Becoming aware of issues with PPI

When UK adults became aware of issues with PPI

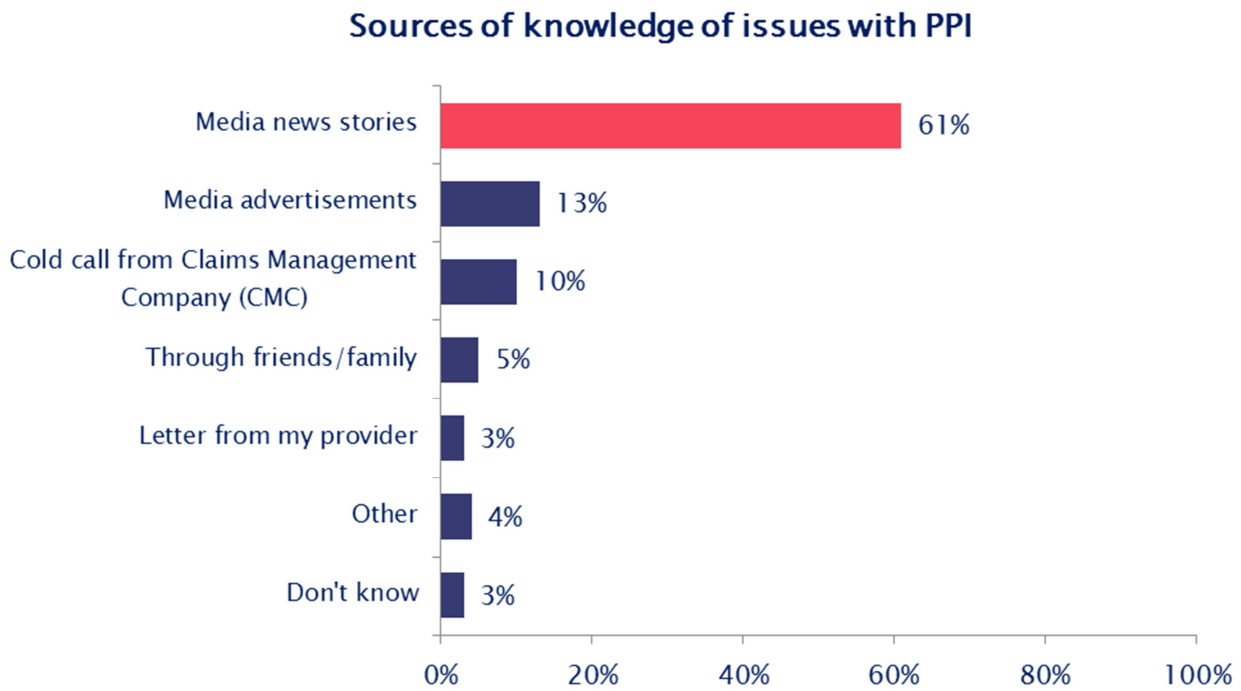


Q6: When did you first become aware of problems and/or issues with payment protection insurance (PPI)? Base: All who are aware of problems and/or issues with PPI (n=11590)

Media news stories are the primary source of knowledge about problems and/ or issues with PPI. Almost five times as many people identify them as a source of their knowledge than identify media advertisements, the next most popular choice (61% vs. 13%). The findings are summarised in Figure 6.

² Q5: Are you aware of any problems and/or issues with payment protection insurance (PPI)? Base: all who are aware of PPI (n=14932). Where findings are not presented graphically, the question is footnoted.

Figure 6: Sources of knowledge of issues with PPI



Q7: How did you **first** become aware of problems and/or issues with payment protection insurance (PPI)? Base: All who are aware of problems and/or issues with PPI (n=1 1590)

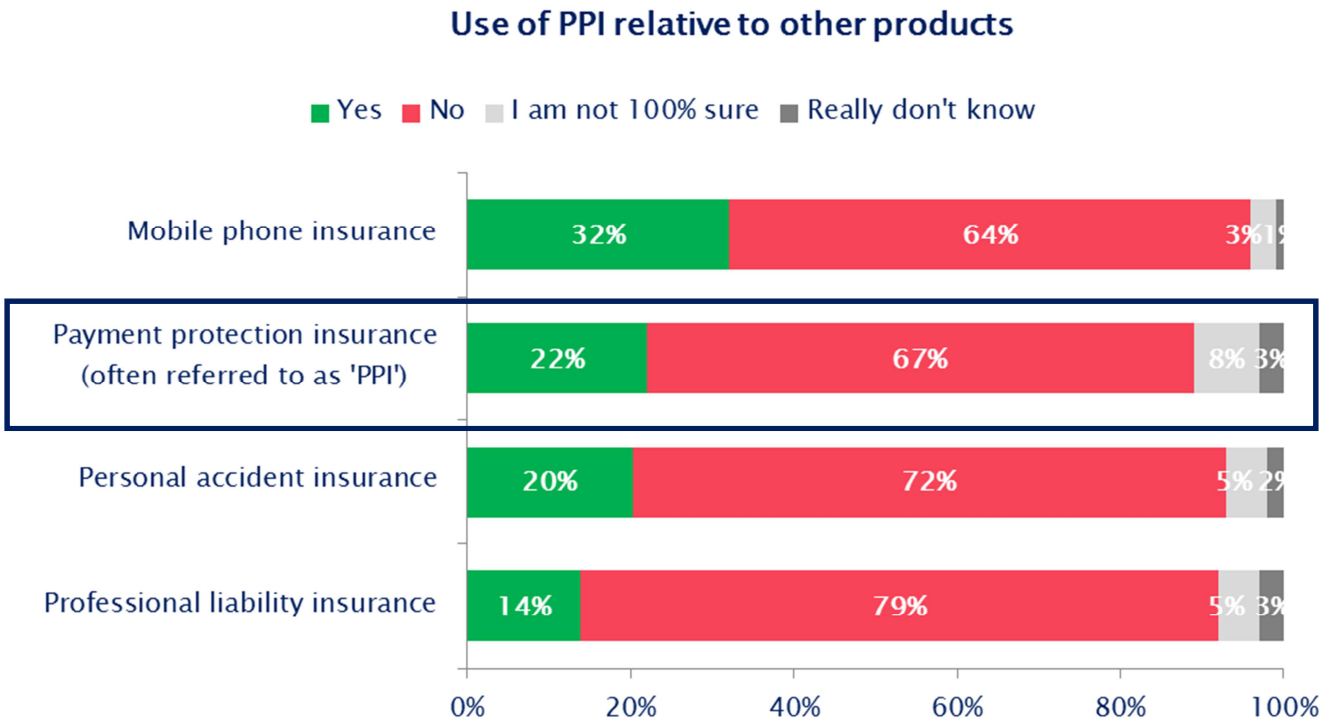
2. PERSONAL EXPERIENCE OF PPI



2.1 PERSONAL EXPOSURE TO PPI

As Figure 7 shows, more than one in five UK adults say that they have had payment protection insurance (22%).³ This is more than the proportion with personal accident (20%) or professional liability insurance (14%), but less than the proportion who have had mobile phone insurance (32%).

Figure 7: Use of PPI and other products



Q9: Have you ever had any of the following financial products? Base: All UK adults (n=20001)

The mean number of PPI policies that people with PPI had or have is 2, and almost half of people with PPI (47%) have or have had more than one policy.⁴

Exposure to PPI is higher among middle-aged groups. Two thirds (28%) of 35–54 year olds say they had or have had PPI, compared to 20% of 65+ year olds, for example.

As shown in Figure 8, around half of all people who have or have had PPI (53%) held a policy associated with a personal loan. A similar proportion (47%) hold or have held a policy associated with a credit card. One in five PPI holders (21%) have or have had PPI for a mortgage and 5% for an overdraft.

One in seven people who have or have had PPI have held a policy where they do not know what credit product this is associated with (15%).

³ In this section we are reporting policies that respondents are aware of having now or in the past based on recall. It is possible that respondents have or have had additional policies they do not remember or were never aware of.

⁴ Q10: How many Payment Protection Insurance (PPI) policies have you had? Base: all who have or have had PPI (n=4385)

Figure 8: Association of PPI with specific credit products



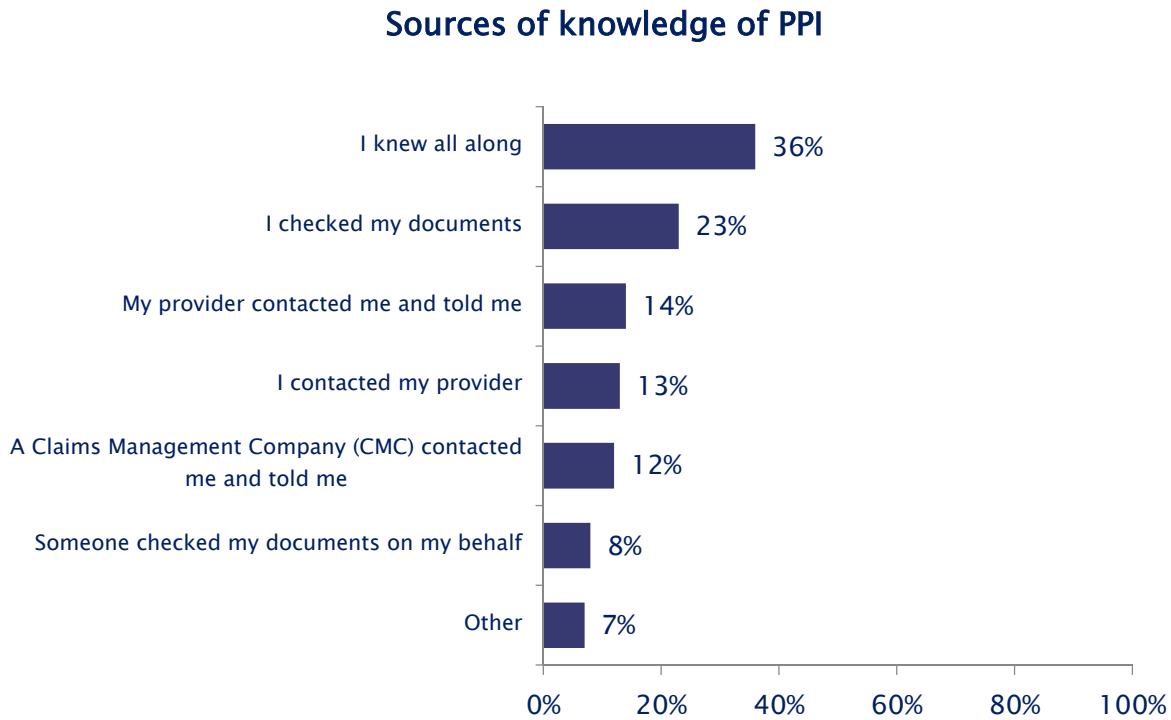
Q10a: What financial product is/was the PPI policy associated with? Base: all who have or have had a PPI policy (n=4385)

2.2 CHECKING ABOUT PPI

People who know that they have or have had PPI

As Figure 9 shows, just over a third of those who know that they have ever had PPI policies (36%) say that they have known all along about at least one of their policies. A quarter say that, for at least one their policies, they became aware by checking their own documents (23%), 14% by being told by their provider, 13% by contacting their provider themselves and 12% by being informed by a Claims Management Company (CMC).⁵

Figure 9: Sources of knowledge about PPI



Q13: How did you become aware you have/had payment protection insurance (PPI) policy/policies? *Asked for each policy.* Base: All those who have or have had a PPI policy (n=4385)

Those who are more financially sophisticated are more likely to say that they have known all along about at least one of their policies – 39% of this group say they have known all the time, compared to 32% of those who are less financially sophisticated. In line with their higher levels of awareness of PPI, older people are more likely to have known all along – two in five of those aged 55+ who have had PPI (41%) say they knew all along.

Those who have checked if they have had PPI tend to find the process straightforward – almost half (47%) think the process was easy, while only a quarter (24%) think it was difficult.⁶

⁵ This question was asked about each policy, and people have been classified into the various categories that they gave. For example, if a person had two policies and selected “I checked my documents” for one policy and “I contacted my provider” for another policy, they would appear in both categories. Where a person had two policies and selected “I checked my documents” for both policies, they would only appear once in the “I checked my documents” category.

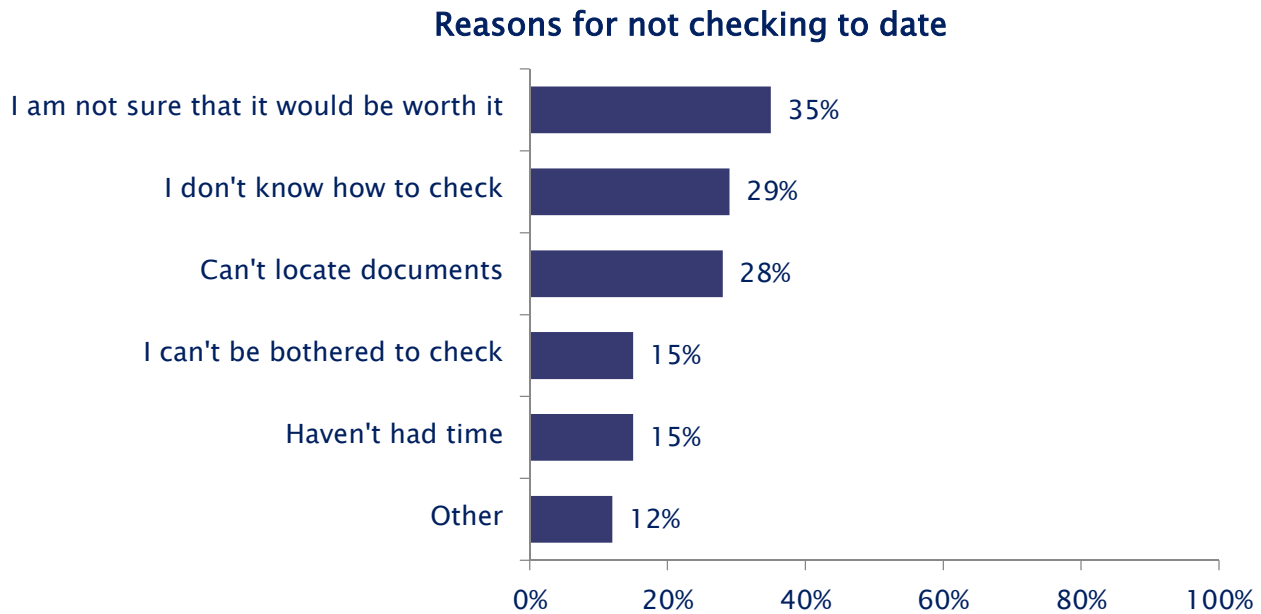
⁶ Q15: In general, how difficult or easy was it to check if you had a PPI policy or policies? Base: all who have checked whether they had PPI (n=1264)

People who are unsure whether they have or have had PPI

One in ten adults (11%) are unsure if they have ever had PPI – this is broken down into 8% who say that they are not 100% sure and 3% who say that they really don't know (see Figure 7).

As Figure 10 shows, a third (35%) of those who are unsure whether they have ever had PPI say the reason that they have not checked so far is that they are not sure whether it would be worth it, and three in ten say that they do not know how to check (29%) or that they can't locate their documents (28%).

Figure 10: Reasons for not checking to date



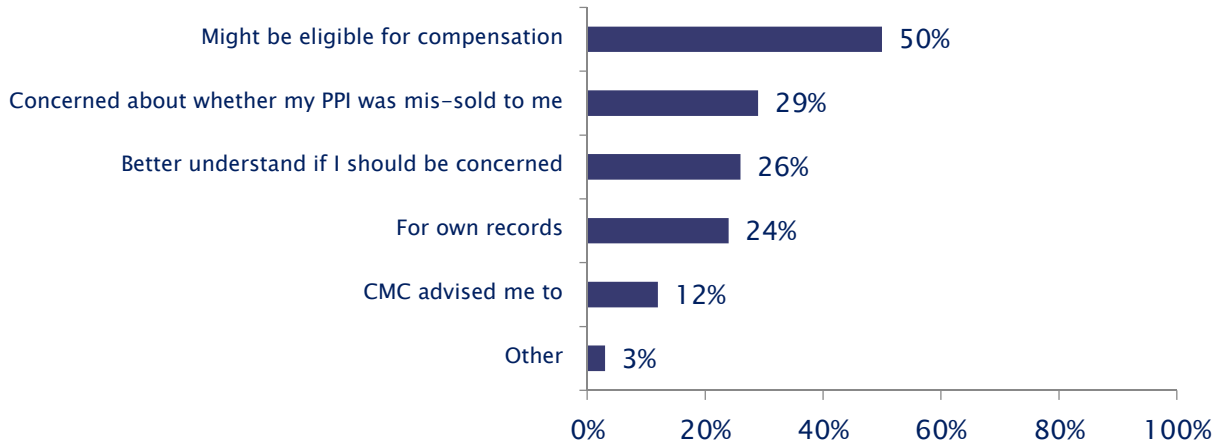
Q20: What would you say is the reason that you have not checked so far whether or not you have ever had a payment protection insurance (PPI) policy? *Multiple answers possible* Base: All who are not 100% sure or really don't know whether they have or have had a PPI policy

Among those who are unsure whether they have ever had PPI, almost two in five (37%) say they are likely to check whether they have ever had PPI. However, half of this audience (49%) say they are unlikely to check.⁷ Among those likely to check, the prospect of compensation is indicated as the primary driver for checking, as Figure 11 shows; concerns about the (possible) policy also play a major role.

⁷ Q16: How likely, if at all, would you say that you are to check whether you have ever had a payment protection insurance (PPI) policy? Base: all who are not 100% sure or really don't know whether they have had PPI (n=2117)

Figure 11: Reasons for checking about PPI

Why check whether you have PPI?



Q17: Why do you plan to check whether you have ever had a PPI policy? *Multiple answers possible.* Base: All who are unsure if they have or have had PPI and are likely to check if they have had it (n=780)

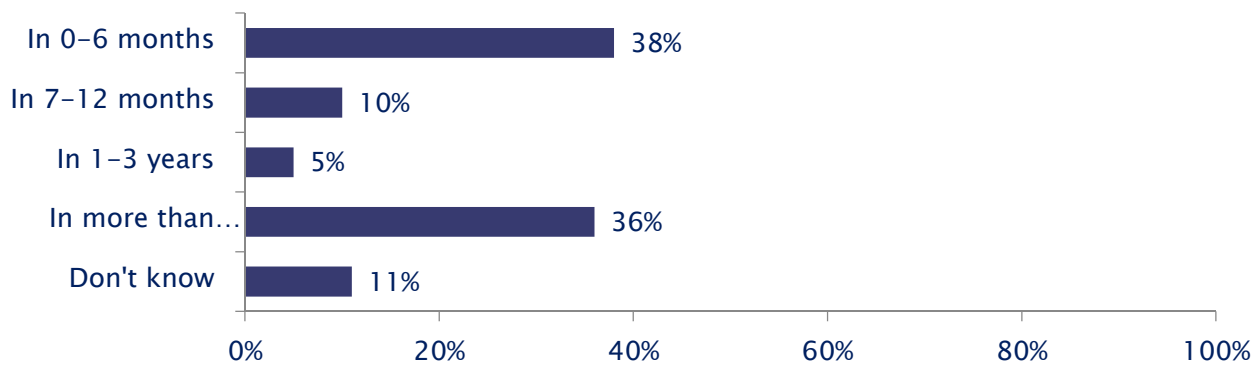
As Figure 12 shows, those who say they are likely to check whether they have ever had PPI are more likely to check either in the very near future or in the very distant future. More than a third (38%) are most likely to check in the next six months, whereas a similar proportion (36%) are most likely to check in more than three years. Given the time gap involved, this set of figures may give a better indication of overall propensity to check than the timing of checking – it appears relatively unlikely that those who say that they are most likely to check in more than three years’ time will ever check whether they have indeed held a PPI policy.

Figure 12: Timeframe for checking

We asked people to rate how likely they would be to check in each of a series of timeframes, on a 0–10 scale. We then calculated the timeframe in which these people are most likely to check – allocating them to one of the time slots based on the slot for which they select the highest score. Where people select the same score for two or more time slots, we allocated people to the latest time slot (i.e. if a person selected 2 for “in 0–6 months”, 3 for “in 7–12 months”, 6 for “in 1–3 years” and 6 for “in more than three years”, they would be allocated to “in more than three years”).

Timeframe for checking

Showing time period in which people are most likely to check



Q19a: How likely, if at all, would you say that you are to check, within the following time periods, whether you have ever had a payment protection insurance (PPI) policy? Please indicate how likely on a scale of 0 to 10 where 0 = not likely at all and 10 = certain. Base: All who are unsure if they have or have had PPI and are likely to check if they have had it (n=735)

2.3 CLAIMING ON A PPI POLICY

In the context of this report, “claiming” refers to the act of claiming on a policy in the same way that a policyholder might claim on any insurance policy – for example, a PPI holder might have claimed against their policy if they were made redundant, to cover the repayments on their loan until they could find a new job. In contrast, “complaining” will be used to refer to people complaining about their policy being mis-sold to them.

Most people who have or have had a PPI policy have not made a claim on it/ them. As Figure 13 shows, two in five (39%) say they have claimed on a policy, while three in five (58%) say they have not. People who first became aware of issues with PPI in the last year are more likely than those who became aware two years ago or more to have made a claim on their policy (65% of those who became aware within the last year vs. 37% around 2 or 3 years ago and 39% around 4 or 5 years ago or more).

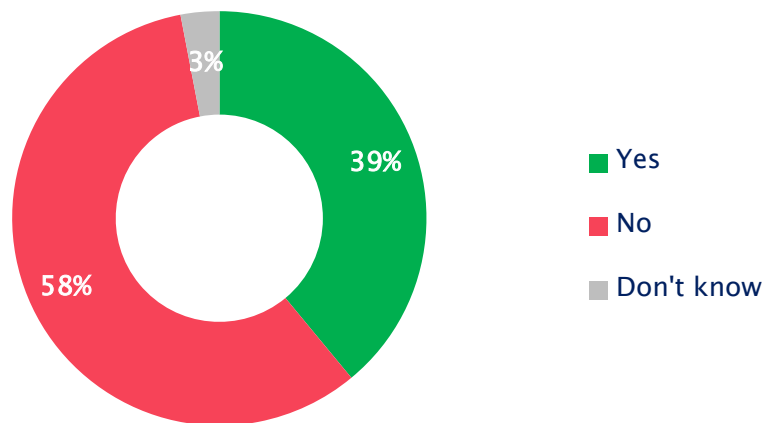
Those with a PPI attached to an overdraft are most likely to have made a claim on at least one of their policies (**although the policy that they complained about may not have been related to their overdraft**), with more than half (55%) saying so. This compares to slightly more than two in five of those with at least one PPI attached to a mortgage (42%), a credit card (42%) or a personal loan (45%).

Those who became aware that they had a PPI policy after contacting their provider are most likely to have made a claim, with three in five (60%) saying they did so – compared to only a third of those who say they knew all along that they had a PPI policy (32%).

Figure 13: Claiming on PPI

Have made a claim on their PPI

(NB: This question is about a claim on the policy as opposed to complaining about how the policy was mis-sold)



Q11: Have you ever made a claim on any of your PPI policy/policies, because you became ill, had an accident or became unemployed and needed the policy to cover your loan or other debt repayments? Base: All who have or have had PPI (n=4385)

Of those who have made a claim, a quarter (23%) say that their insurer has not paid out on their policy / at least one of their policies. In contrast, three quarters (76%) say their insurer has paid out on their

policy / at least one of their policies. 7% indicate that at least one claim is ongoing. 3% say that they do not know.⁸

As highlighted in Figure 14, one in six of those who have, have had or may have had PPI (16%) say that they thought the PPI covered them, but when they claimed their claim was rejected.

⁸ Q12: As a result of your claim on any of your payment protection insurance (PPI) policy/policies, did the insurer pay out on your claim and cover your repayments while you were ill or unemployed etc.? Base: All UK adults who have claimed on a PPI policy (n=1679)

2.4 CONCERNS WITH PPI

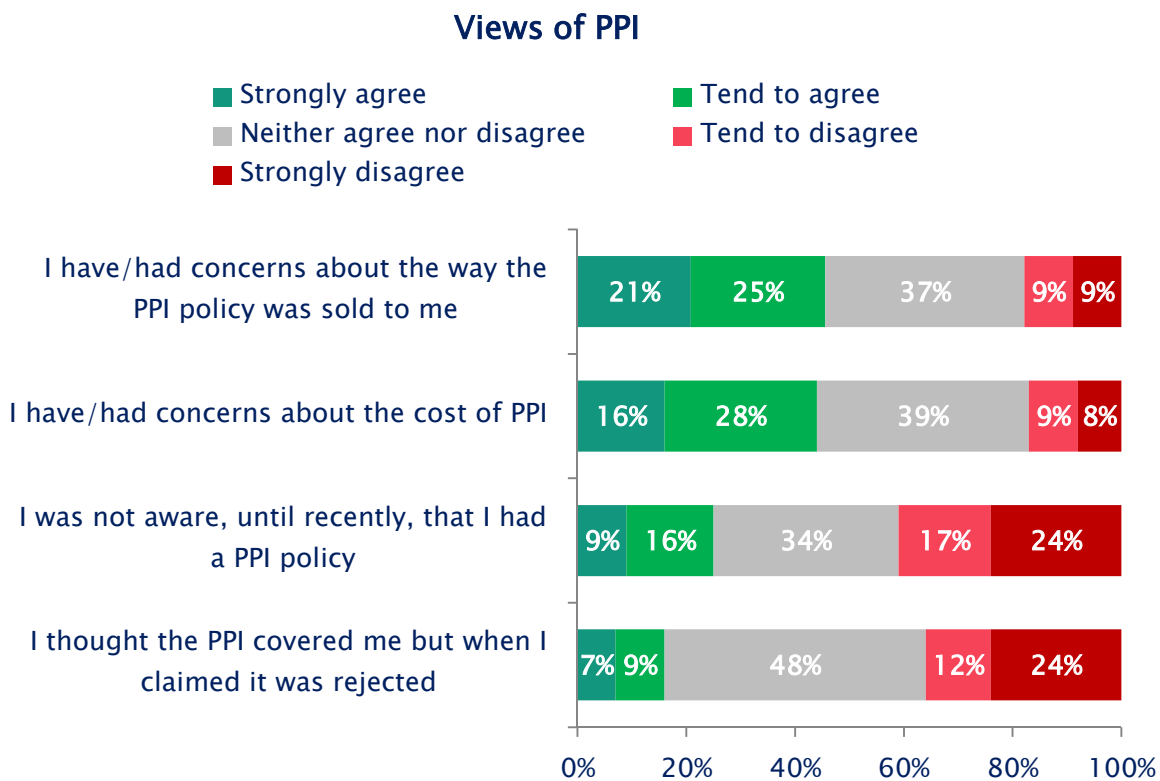
Concerns about PPI are widespread among adults, as indicated by levels of agreement with a series of statements that we tested relating to PPI.

As Figure 14 shows, nearly half of people who have, have had or may have had a PPI policy (46%) are concerned about the way it was sold to them. Those who are more financially sophisticated (50%) are more likely than those who are less financially sophisticated (45%) to agree that they are concerned about the way the PPI was sold to them. Moreover, concerns are most prevalent for those who have or have had a PPI policy associated with an overdraft (69%), although it is important to stress that these concerns are not necessarily about any PPI policy/ies associated with an overdraft. Two thirds of people who have or have had a PPI policy associated with a personal loan or a credit card (64%) have these concerns, as do half of those who have or have had a PPI associated with a mortgage (54%).

Similarly, more than two in five people who have, have had or may have had a PPI policy (44%) have concerns about its cost. Those from a higher social grade are more likely than those from a lower social grade to say that have concerns about the cost of PPI. For instance, half of those from social grade AB (48%) are concerned, compared to two in five from social grade DE (41%). This difference is also found with regard to levels of combined annual household income – for example, 55% of those with an annual household income of £80,001 – £100,000 have concerns about the cost of PPI, compared to 42% of those with an annual household income of less than £20,000.

Central to many concerns about PPI is a lack of understanding. As Figure 14 shows, one quarter (25%) say that they were not aware until recently that they in fact have or have had PPI – this proportion rises to half (50%) among those whose PPI is/was associated with an overdraft.

Figure 14: Views of PPI (1 / 2)



Q22a: To what extent do you agree or disagree with the following statements? Base: All who have, have had or may have had a PPI policy (n=6502)

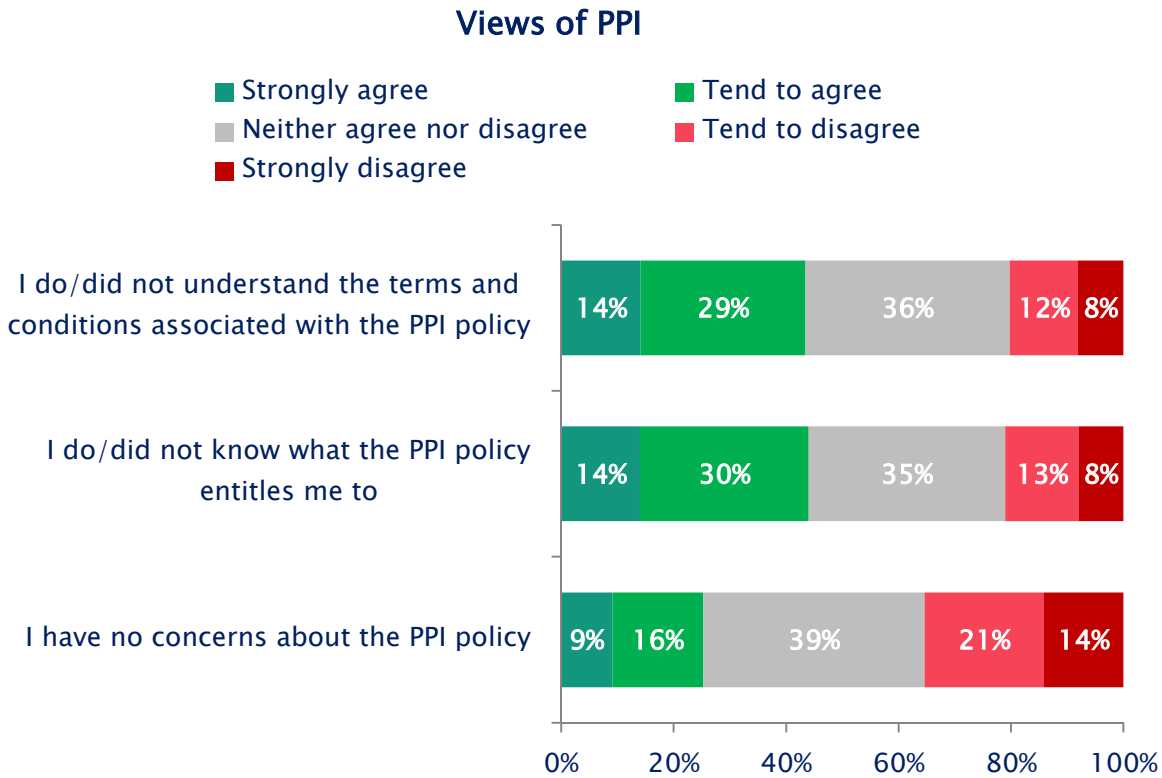
As Figure 15 shows, more than two in five (44%) of those who have, have had or may have had PPI report being unaware of what their policy entitles them to – a figure that rises to 60% among those less financially sophisticated. Again, the proportion of those unaware of what their policy entitles them to is particularly high among those whose PPI is/was associated with an overdraft (64%) but is lower among those whose PPI is/was associated with a mortgage (40%).

Similarly, two in five (43%) say that they do not understand the terms and conditions of their policy. This figure rises to three in five (60%) among those less financially sophisticated, and a similar proportion of those whose PPI is/was associated with an overdraft (61%) but is lower among those whose PPI is/was associated with a mortgage (42%).

As already highlighted in Section 2.3, one in six (16%) of those who have, have had or may have had PPI say that they thought the PPI covered them, but their claim was rejected.

Among those who have, have had or may have had a policy, only a quarter (25%) have no concerns about their PPI policy (see Figure 15). Those who are more financially sophisticated are also more likely not to have concerns about their PPI policy, with a third (31%) saying so, compared to a quarter (24%) of those less financially sophisticated. Two in five of those who have, have had or may have had a PPI policy (39%) are neither concerned nor unconcerned – potentially suggesting a lack of knowledge.

Figure 15: Views of PPI (2/2)



Q22b: To what extent do you agree or disagree with the following statements? Base: All who have, have had or may have had a PPI policy (n=6502)

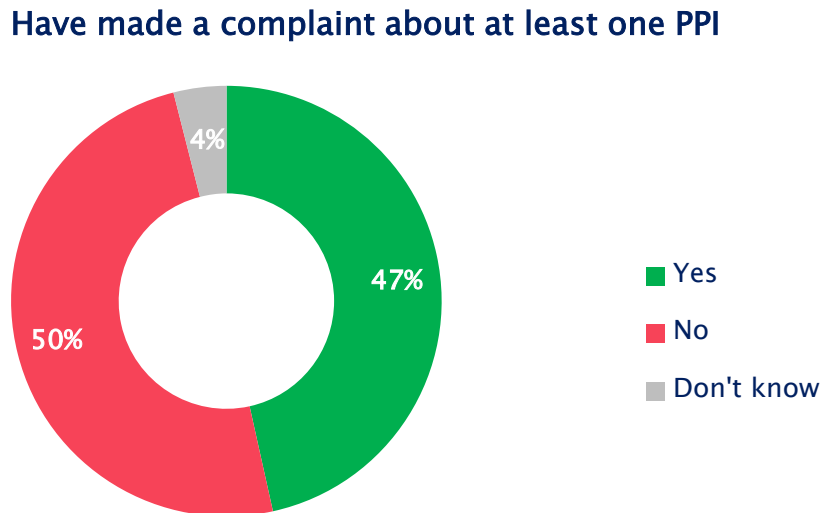
3. COMPLAINING ABOUT PPI



3.1 COMPLAINTS ALREADY MADE

Approximately half of PPI holders (47%) say that they have made a complaint about at least one of their PPI policies, as Figure 16 shows. A similar proportion (50%) say that they have not made a complaint about any of their PPI policies. 39% of PPI holders have complained about all of the policies that they can recall.

Figure 16: Complaining about PPI



Q23a: Have you complained about the payment protection insurance (PPI) policy which you had? Base: All who have or have had a PPI policy (n=4385)

Complaints have been least common among those who knew all along that they held a PPI policy- just one third of these people have complained about one or more policies (33%), compared to:

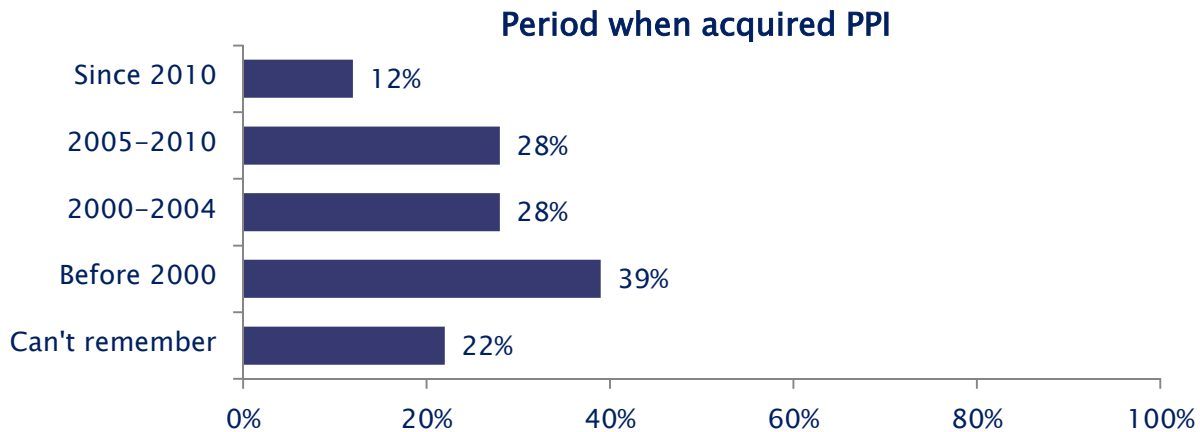
- Almost three quarters of PPI holders who became aware that they had PPI through directly contacting their provider (72%);
- Almost two thirds of those who found out that they held PPI by checking their documents (63%);
- Three in five of those who were informed that they had PPI by a CMC (59%).

3.2 TIMING OF COMPLAINTS

For many people there is a considerable time lag between when they acquired PPI and when they actually became aware that they held a PPI policy.

We asked about each PPI policy that people held – as shown in Figure 17, two in five people who have or have had PPI (39%) say that they acquired a PPI policy before 2000.

Figure 17: Acquiring PPI



Q10b: When did you get this financial product? Base: All UK adults who have or have had a PPI policy (n=4385)

We then asked PPI holders who had complained about at least one of their PPI policies about when they became aware that they held each PPI policy and about the timing of each of their individual complaints – as outlined in Figure 18.

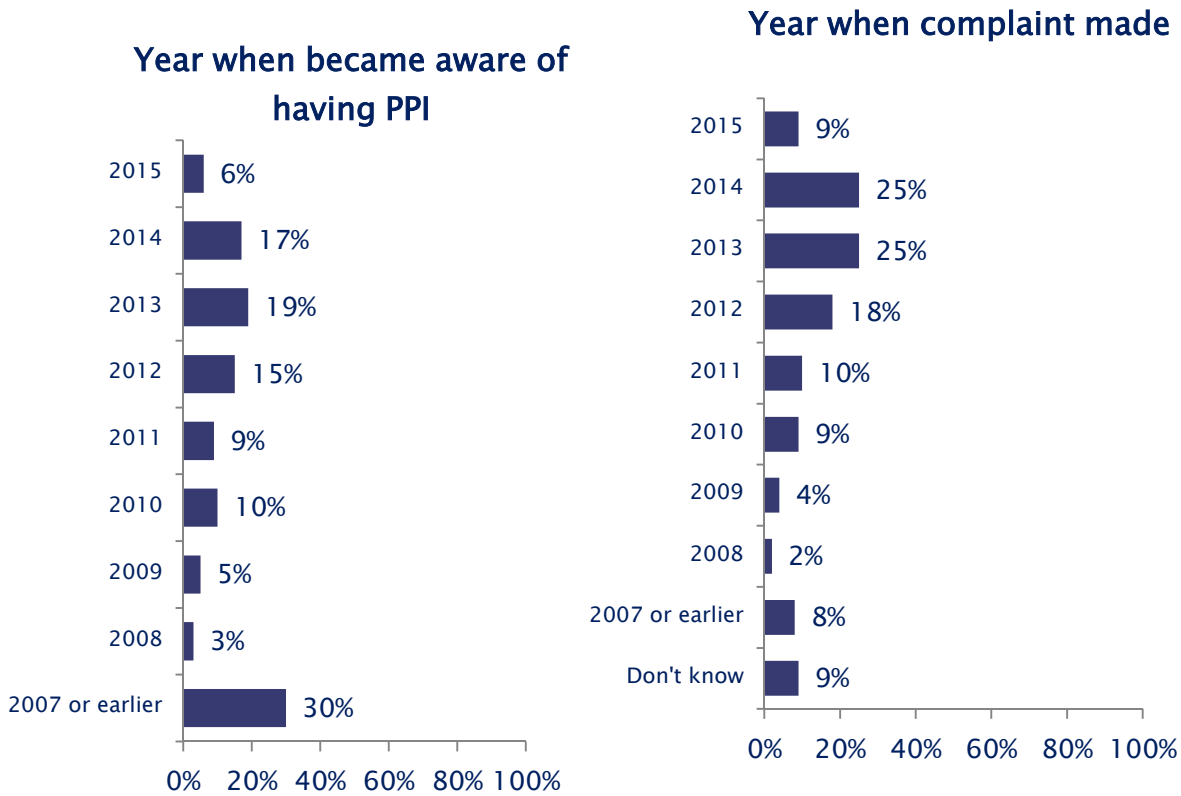
One in six became aware that they held a PPI policy in 2014 (17%), one in five became aware in 2013 (19%), and one in seven (15%) in 2012.

Half of all complaints about PPI were made in 2013 or 2014 (50%). This is consistent with initial findings that 46% of people aware of problems and/ or issues with PPI found out about them two or three years ago (see Figure 5).

Indeed, the figures on the timing of complaints align relatively closely with when PPI holders first became aware that they held a PPI policy (which was asked to a smaller subsection of PPI holders).⁹ Two thirds of complaints (66%) were made in the same year as the holder became aware that they held a PPI policy, and the average length of time between becoming aware of holding a PPI policy and complaining about it is 1.13 years, across all complaints.

⁹ For phases 2, 3 and 4 of the research, we included an additional question (Q23b) for those who have complained about a PPI policy, asking them about when they became aware that they held each policy. Further detail about this can be found in the Questionnaire Design section in the technical report.

Figure 18: Awareness vs. complaining



Q23b: When did you become aware that you held this policy? Base: All who have complained about at least one PPI policy [Phases 2/3/4] (n=1651)

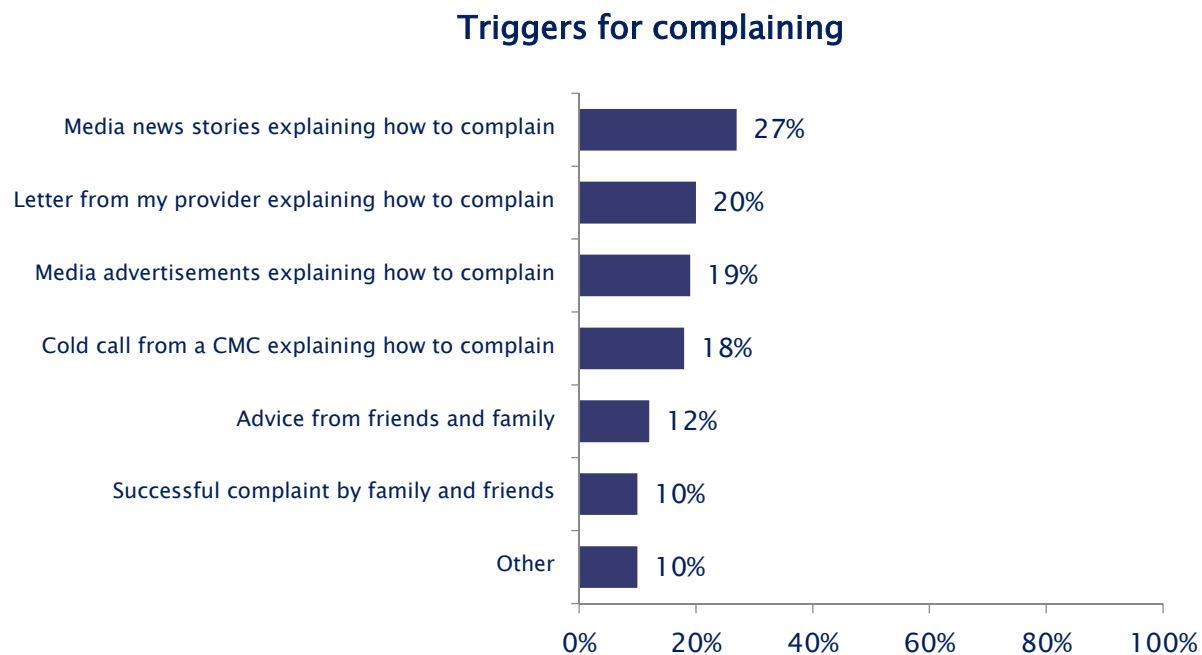
Q24a: When did you complain about the payment protection insurance (PPI) policy which you had? Base: All who have complained about at least one PPI policy [All phases] (n=2068)

3.3 TRIGGERS FOR COMPLAINTS

As Figure 19 shows, the most commonly cited factor prompting people to complain is media news stories (27%), followed by letters from providers (20%), media advertisements (19%), and cold calls from CMCs (18%) as the most frequently selected triggers for a complaint.

In contrast, advice from family or friends (12%) and a successful complaint made by family and friends (10%) are not as commonly mentioned.

Figure 19: Triggers for complaining



Q24b: What prompted you to complain about the payment protection insurance (PPI) policy which you had? Base: All who have complained about at least one PPI policy [Phases 2/3/4] (n=1651)

Those in social grades DE (23%) and C2 (20%) are more likely than those in social grades AB and C1 (15% for each) to say that they were prompted to complain by a cold call from a CMC. One quarter (27%) of those with four or more PPI policies say they were prompted to complain by a cold call from a CMC – we have grouped those with four or more policies together because the number of people with (respectively) 5, 6, 7, 8, 9 or 10 policies is relatively small and this provides a useful insight into those with large numbers of policies.

Similarly, older people are more likely than younger people to say this, with a quarter of those aged 65+ (25%) saying that they were prompted to complain by a cold call from a CMC, compared to only 14% of 18–34 year-olds.

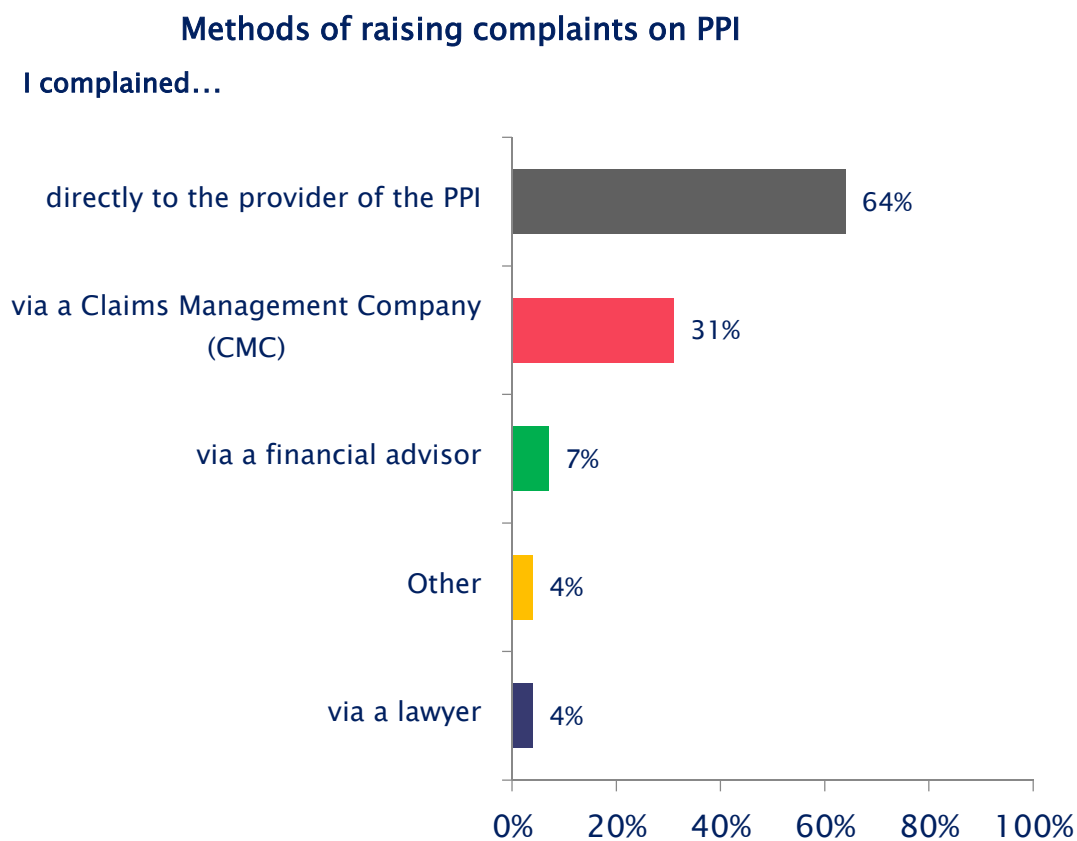
3.4 CHANNELS FOR COMPLAINTS

As Figure 20 illustrates, two thirds of individual complaints are made directly via the provider of the PPI (64%) and one third are made via CMCs (31%).

PPI holders from lower social grades are more likely than all PPI holders to complain through a CMC – 37% of those in social grades DE say that they complained through a CMC, compared to 28% of those in social grade C1 and 26% of those in social grade AB.

Only small minorities of complaints were made through a financial advisor (7%) or a lawyer (4%).

Figure 20: Methods of raising complaints on PPI



Q25: How did you go about complaining about the payment protection insurance (PPI) policy which you had Base: All who have complained about at least one PPI policy (n=2068)

Perhaps linked to the perceived complexity of their financial circumstances, those with 4 or more policies are more likely than average to have complained about at least one of their policies via a CMC – 44% of these people complained through this route, vs. 31% for all PPI complainants.

There is a high degree of ‘continuity’ between the trigger for complaining and the subsequent method of complaining. Of those people who have been triggered into complaining by a cold call from a CMC, 84% went on to raise a complaint via a CMC. Of those who have been triggered into complaining by a letter from their provider, 80% went on to raise a complaint via their provider.

One quarter of those who complained referred their complaint to the Financial Ombudsman (25%).¹⁰ Younger people are significantly more likely than older people to have referred their most recent complaint to the Financial Ombudsman, with almost half of 18–34 year-olds (45%) saying this, compared to only one in seven of those aged 65+ (15%).

¹⁰ Q27: With regard to your **most recent** payment protection insurance (PPI) policy complaint, did you refer your complaint to the Financial Ombudsman? Base: All who have complained about at least one PPI policy (n=2068)

3.5 EXPERIENCE OF COMPLAINTS PROCESS

Three in five PPI holders who have made a complaint (59%) say that they found the process of complaining about their most recent PPI policy easy.¹¹

- A quarter (24%) report finding it very easy – while one in five (22%) report the process to be either very or fairly difficult. The process of complaining seems to elicit fairly consistent responses across multiple complaints, as three quarters of PPI holders who made more than one complaint (73%) reportedly find previous experience(s) not to be different from their most recent experience.¹²

Indeed, we asked PPI complainants about improvements to the complaints process – inquiring in the form of an open-ended question about the one change that these people would make to the process if given the opportunity.¹³

Three in ten of those who had complained about PPI (28%) expressed their satisfaction with the complaints process and said that no improvements could be made:

“It was very straightforward.”

Where those who had complained did suggest improvements, these were relatively diverse. The most commonly given improvements tend to relate to making the complaints process faster (mentioned by 12% of PPI complainants):

“The process should be quicker and easier to claim for.”

A further 8% suggested that the process could be made easier, and 8% suggested that there should be an automatic refund (rather than needing to go through the process of making a complaint):

“Providers should have a template for sending the complaint.”

7% suggested that there could be more information explaining how to complain, and 7% said that the process could be improved by the removal of third party intermediaries such as CMCs:

“I would claim directly rather than through a CMC and save myself 25%.”

¹¹ Q33a: With regard to your **most recent** payment protection insurance (PPI) policy, how difficult or easy did you find the process of complaining about PPI? Base: All who have complained about at least one PPI policy (n=2068)

¹² Q33b: Thinking about your other PPI complaints, did these experiences differ from your most recent PPI complaint? If yes, please specify how the experience of your other complaints was different. Base: All who have complained about more than one PPI policy [phase 4] (n=427)

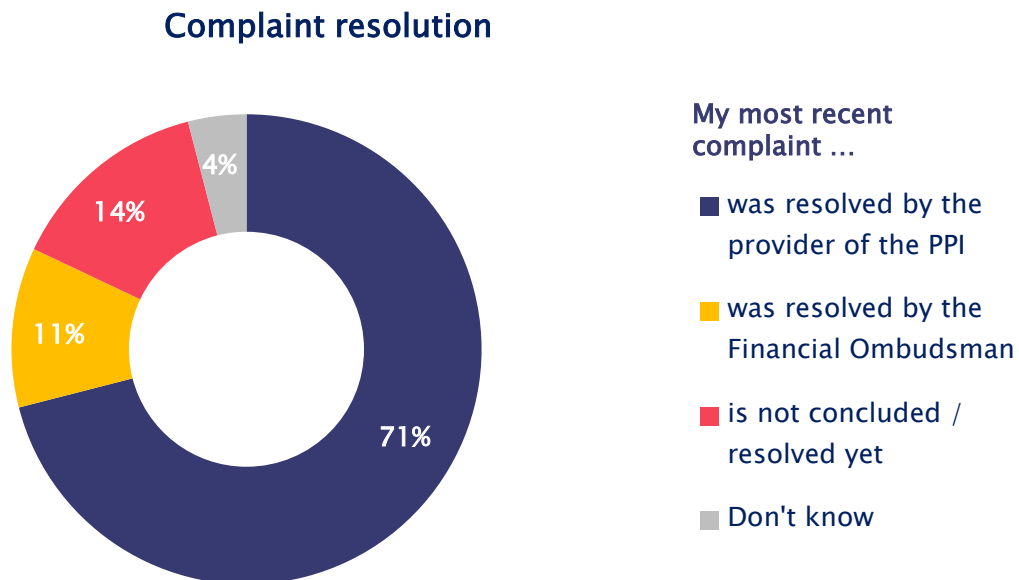
¹³ Q34: If you could make one change to the process of complaining about your payment protection insurance (PPI) policy what would it be? Base: All who have complained about at least one PPI policy (n=2068)

3.6 COMPLAINT RESOLUTION

The higher share of complaints made via the provider is reflected in the fact that these bodies have resolved the large majority (71%) of each customers' most recent complaint about PPI.

Among all complainants, only 11% have seen their most recent complaint resolved through the Financial Ombudsman.

Figure 21: Complaint resolution



Q28a: With regard to your most recent payment protection insurance (PPI) policy, is your complaint concluded now? Base: All who have or have had PPI and complained about at least one PPI policy (n=2068)

Overall, only 14% have not seen their most recent complaint resolved. This is usually due to the complaint's still being ongoing. However, some do not expect to see their complaint ever resolved – for instance, due to the PPI being very old – and others have had their complaint rejected.

“I’m waiting for the Ombudsman’s verdict.”

“I’m waiting for an answer from the company that sold it to me in 1986.”

“I did not get paid back my PPI [money], but I intend to complain again.”

4. COMPENSATION

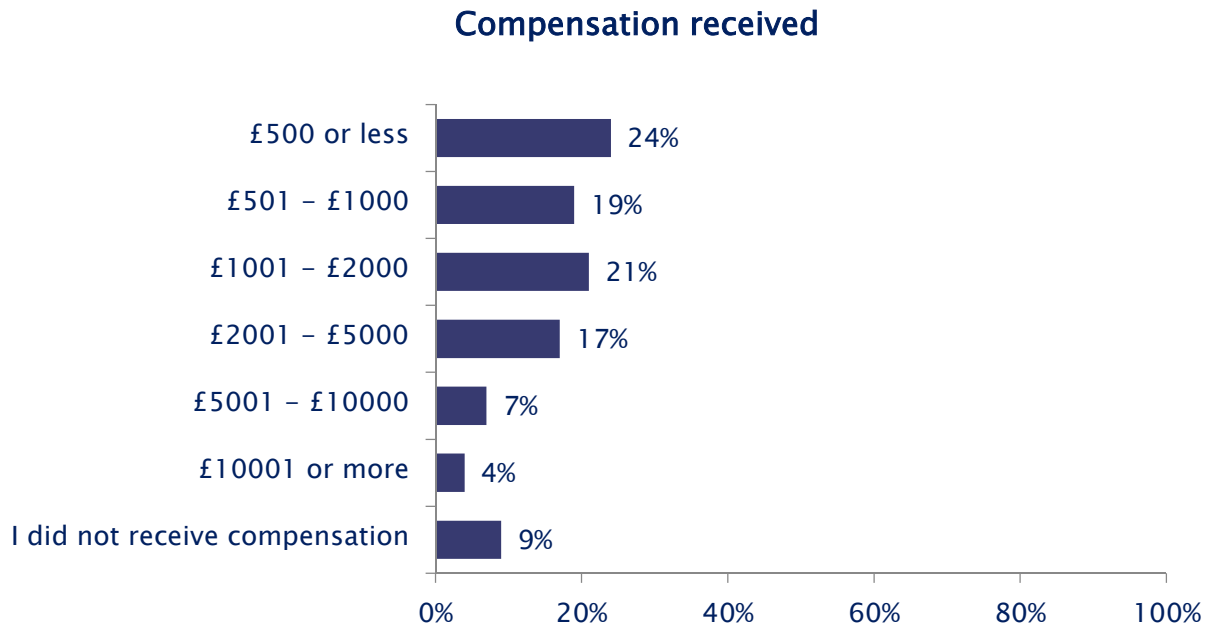


4.1 EXPERIENCE OF COMPENSATION

Among those PPI complainants whose claim was resolved, nine in ten (91%) did receive compensation – almost two thirds (63%) £2,000 or less.

Of those who complained but did not receive compensation, 70% complained directly to their provider and 26% complained via a CMC.

Figure 22: Compensation received



Q29: With regard to your most recent payment protection insurance (PPI) policy, how much compensation, if any, did you receive as a result of your complaint? Base: All who have had their most recent PPI complaint resolved (n=1708)

Among those who have received compensation, the majority (85%) are satisfied, with two in five (41%) very satisfied.¹⁴ Just 14% say that they are dissatisfied with the compensation received, including only 5% who say that they are very dissatisfied. Those who complained via their provider (87%) are more likely to be satisfied than those who complained via a CMC (81%).

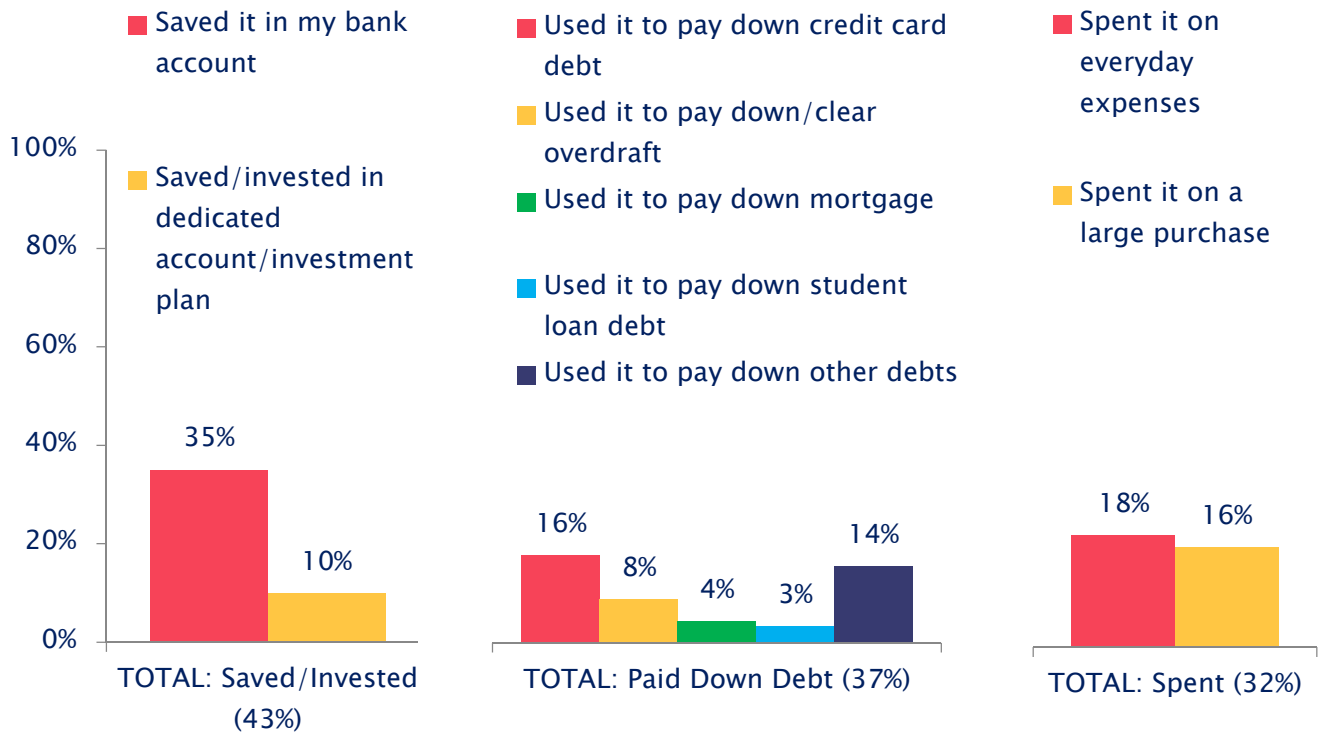
¹⁴ Q30: Taking everything into consideration, to what extent would you say that you are satisfied or dissatisfied with this sum of compensation? Base: All who have complained about at least one PPI policy and received PPI compensation (n=1554)

4.2 PAST USE OF COMPENSATION

As Figure 23 illustrates, almost half of people who received compensation from their most recent complaint used this sum for saving and/ or investing (43%) and more than a third used it for paying down one or more kinds of debt (37%), while a third (32%) spent it. It is worth stressing that the total categories given in the figure below have been added as an analytical tool after fieldwork – this categorisation was not presented to respondents completing the survey, and individuals may also fall into multiple categories. Similarly, the total figures are not reflective of monetary values – we do not have information on the amount of money that each respondent saved or the amount that they spent, for example. A person may have saved £5 in a bank account and spent £300 on a large purchase, and would be classified in both categories.¹⁵

Figure 23: Past use of compensation

Past use of compensation



Q31: Thinking of the compensation you got as one-off unexpected additional income, can you recall how you used it? *Multiple answers possible* Base: All those who have complained about at least one PPI policy and received compensation (n=791)

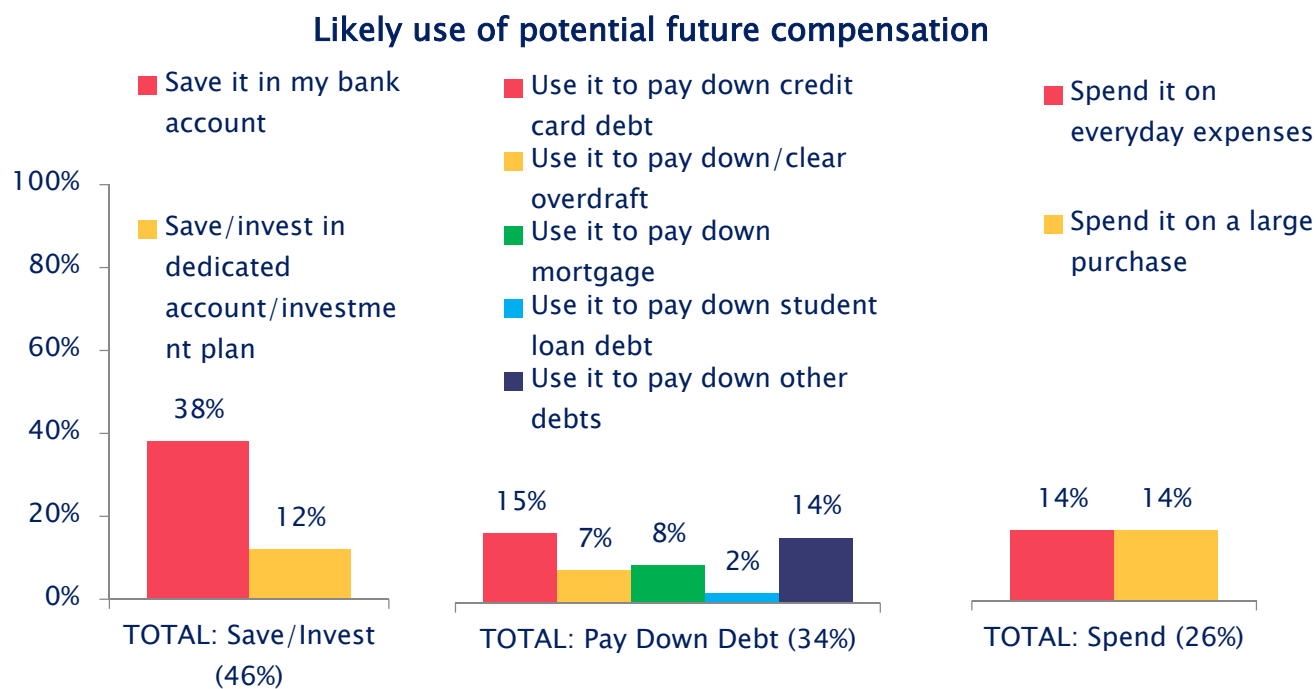
¹⁵ The questions on compensation were only asked in phases 1–3 of the research, being removed for phase 4 to ensure that there was sufficient space to ask questions about Plevin vs. Paragon Personal Finance without encountering respondent fatigue. Further information on this is available in the separate technical report on this study.

4.3 LIKELY USE OF POTENTIAL FUTURE COMPENSATION

When asking all those who have, have had or may have had PPI how they would use future compensation money responses are broadly similar to the ways in which complainants who received compensation reported using it:

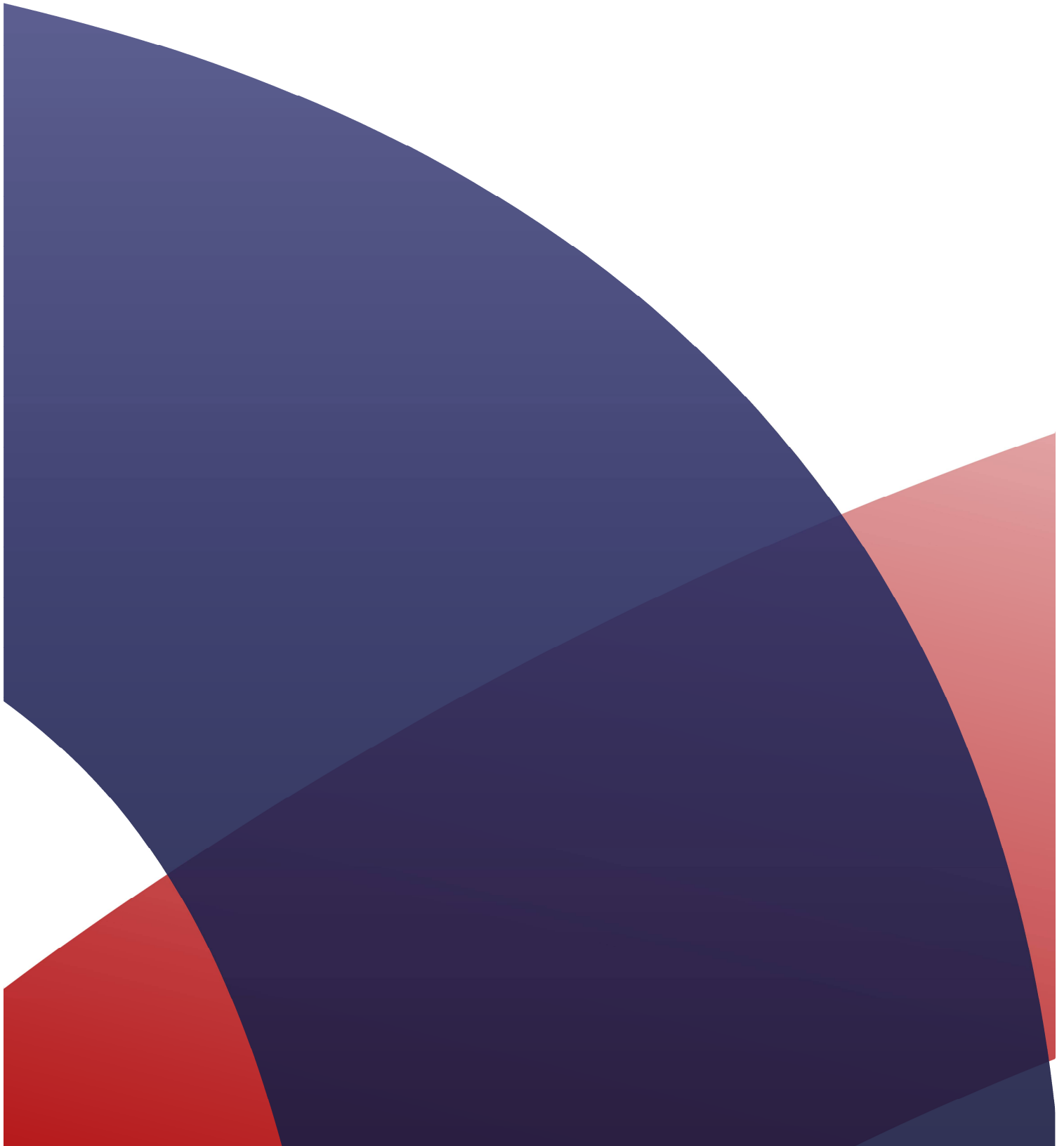
- PPI holders are more likely to say that they would save the money (46%, compared to 43% who did save and / or invest the money that they received from compensation [see Figure 23]) than spend it or use it to pay down debt;
- More than two in five of those aged 25–34 (43%) and those aged 35–44 (42%) would use compensation to pay down various debts.

Figure 24: Likely use of potential future compensation



Q46: If you do complain and receive compensation as one-off additional income, how do you think you would use it? *Multiple answers possible* Base: All who have, have had or may have had a PPI policy (n=3137)

5. POTENTIAL FUTURE COMPLAINTS – DEFINITE PPI HOLDERS



5.1 INTENTION OF COMPLAINING

Among all who have or have had PPI, only one in eight (12%) intend to complain or complain again, compared to three quarters (72%) who do not intend to do so and 16% who do not know if they will complain.¹⁶

Approximately two thirds of those intending to complain (63%) have already complained about their policy / at least one of their policies. Around one third (35%) have never complained before and intend to complain for the first time. 2% do not know if they have complained before.

Those who have become aware of issues with PPI within the last year seem more intent on making a complaint or complaining again than those who learned about problems 2-3 years ago and 4-5 years ago (34% vs. 13% and 7% respectively).

¹⁶ Q35: Do you intend to complain (or make another complaint) about any of the payment protection insurance (PPI) policies you have? Base: All who have or have had a PPI policy (n=4385)

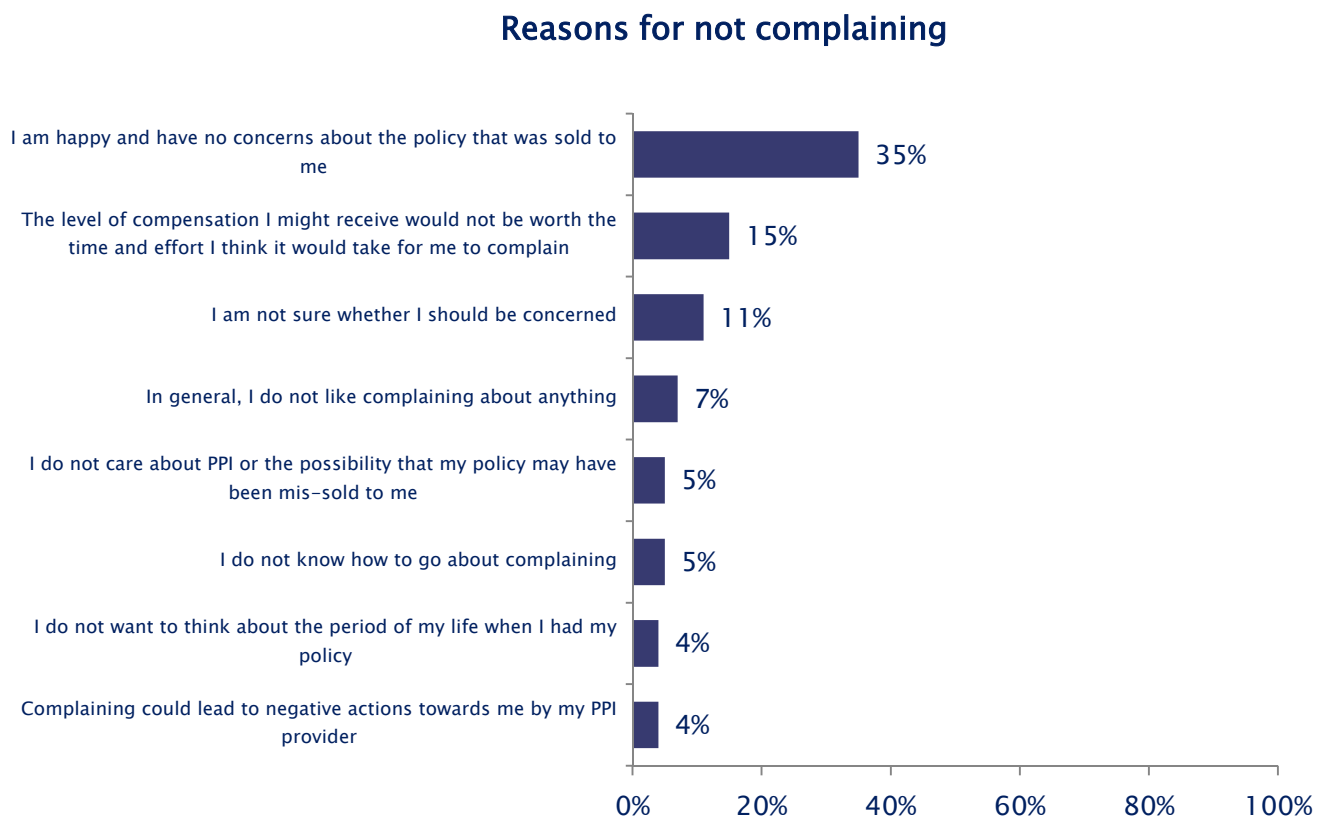
5.2 BARRIERS TO COMPLAINING – PEOPLE NOT INTENDING TO COMPLAIN

The primary reasons why PPI holders do not intend to complain (or complain again) suggest that a large proportion will never complain in the future:

- A third (35%) indicate that they are happy and have no concerns about the way that their policy was sold to them;
- One in seven (15%) say that the level of compensation they might receive would not be worth the time and effort it would take for them to complain.

As Figure 25 shows, uncertainty about whether they should be concerned is a barrier to complaining for approximately one in nine of those who do not intend to complain or complain again (11%). One in fifteen (7%) generally do not like complaining about anything and 5% say that they do not care about PPI or the possibility that their policy may have been mis-sold to them.¹⁷

Figure 25: Reasons for not complaining



Q36ii: Why do you not intend to complain about the payment protection insurance (PPI) policy you have? Base: All who do not intend to complain or complain again and still have at least one PPI policy that they have not complained about (n=891) (Phase 4 only)

¹⁷ Two different versions of Q36 were asked during Part I and Part II of fieldwork. Further information on this can be found in the separate technical report on this study, and full figures for both versions are available in the data tables.

Moreover, perceived difficulty of the complaining process does not seem to be a major concern to PPI holders in terms of intentions to complain, for both those who have or have had a PPI policy and those who are unsure whether they have or have had PPI. More than a third of those who have, have had or may have had a PPI policy (35%) believe that it would be easy to complain, and fewer than one in ten (9%) believe it would be very difficult.

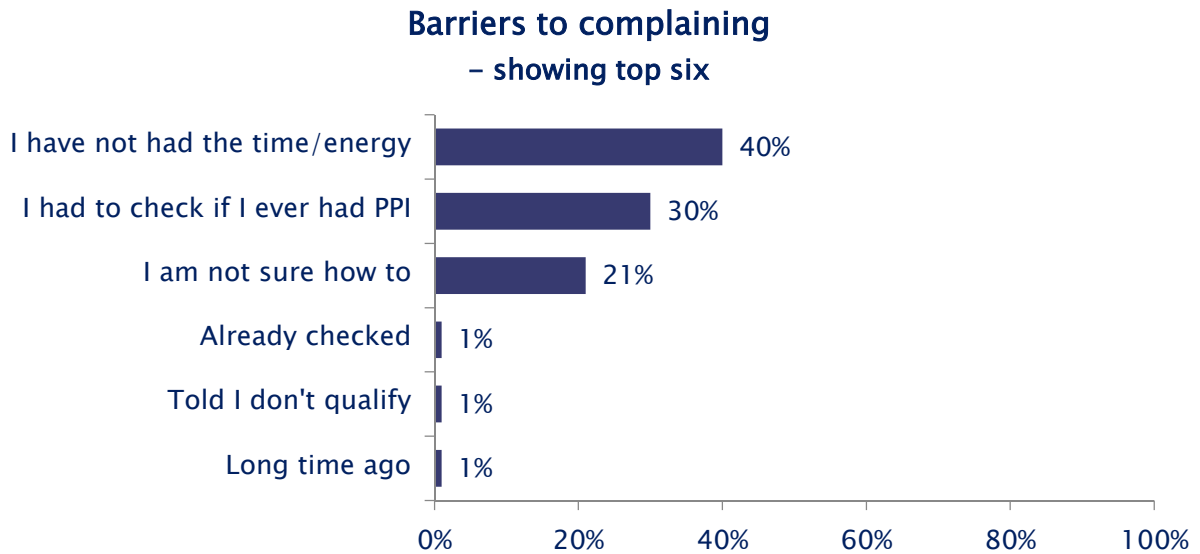
However, those who have not yet complained about any of their policies are more likely than those who have done so to anticipate that the complaining process would be difficult – one in three of those who have, have had or may have had PPI policy but have not yet complained (33%) think that the process would be difficult, compared to one quarter of those who have already complained (25%) about at least one of their policies.¹⁸

¹⁸ Q43: How difficult or easy do you think the process of complaining about a PPI policy might be? Base: All who have, have had or may have had a PPI policy (n=6502)

5.3 BARRIERS TO COMPLAINING – PEOPLE WHO INTEND TO COMPLAIN

Among PPI holders who intend to complain or complain again, the main reason why they have not complained already is a lack of time and energy, selected by two in five (40%) – this highlights the challenge of inertia in relation to personal financial issues and triggering action. One in five (21%) cite a lack of knowledge about how to make a complaint.

Figure 26: Barriers to complaining



Q41: What has prevented you from complaining already? Base: All who intend to complain or complain again about at least one PPI policy (n=508)

This is very different from the responses of those PPI holders who do not intend to complain (see Figure 25), where a perception that the level of possible compensation they might receive would not be worth the time and effort required to complain was cited by just 15% and a lack of knowledge about complaining by just 5%.

5.4 PROMPTS FOR COMPLAINTS

When prompted on which methods would make them more likely to complain again, for the first time or to complain sooner than originally planned, people who have, have had or may have had PPI appear three times more responsive to letters from providers explaining how to complain (64% reportedly would be more likely to complain following receipt of this letter) than to cold calls from CMCs (20% reportedly would be more likely to complain after being prompted in this manner). This again highlights the propensity of people to make complaints through providers rather than CMCs, already observed in those people who did make a complaint (see Figure 20).

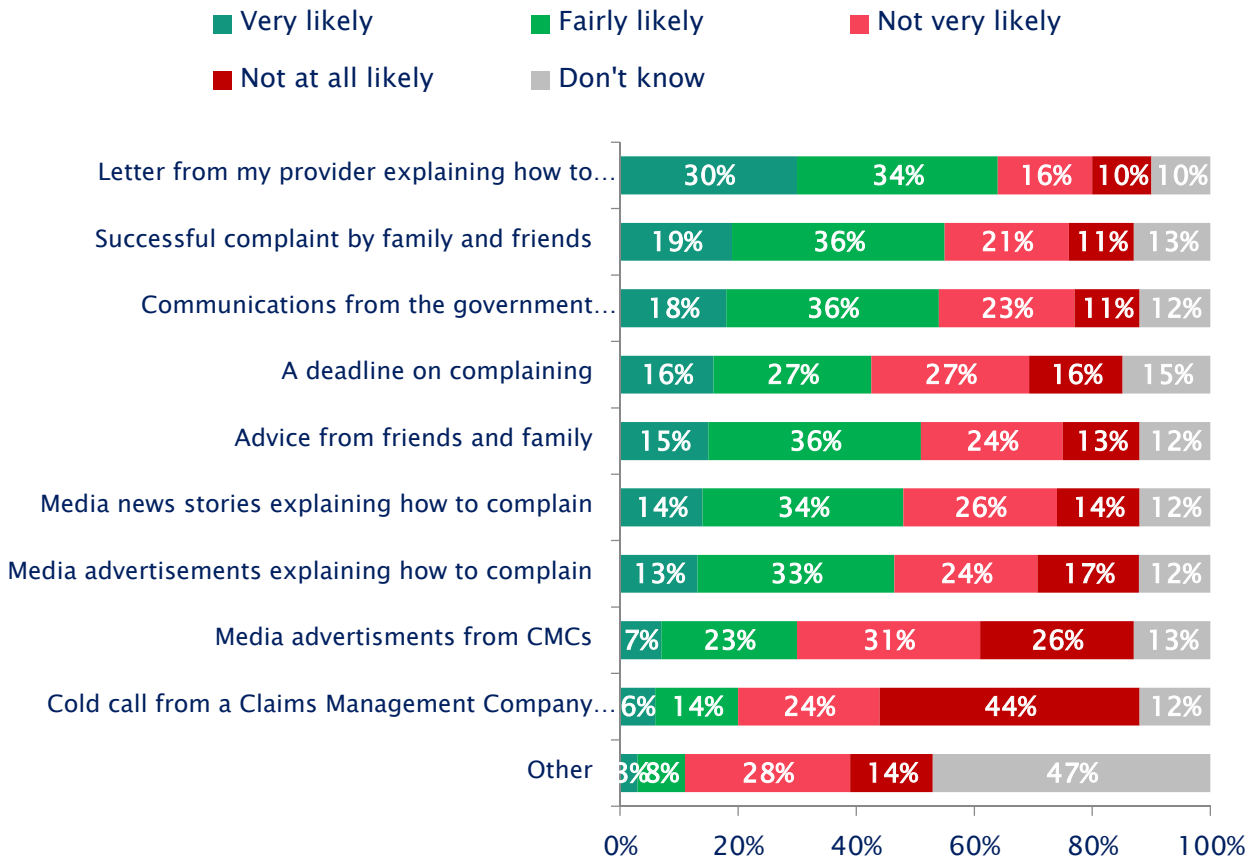
As Figure 27 shows, more than half of those who have, have had or may have had PPI (54%) say that communications from the government explaining how to complain would make them more likely to complain.

Although there is no clear pattern for those 11% who say it is likely that something 'other' would have prompted them to complain, many of these people say that more information would have prompted them to do so, for instance, from an online consumer advice website.¹⁹

¹⁹ Different options were used for Q44 in different phases of the fieldwork, which explains the variable base sizes in Figure 27. Further information is included in the technical report, in section 2 on Questionnaire Design.

Figure 27: Reported effectiveness of prompts to complain

Reported effectiveness of prompts to complain



Q44: How likely, if at all, would you say the following scenarios would be to prompt you to complain, or, if you are already intending to complain, to do so sooner? Base: All those who have, have had or may have had a PPI policy (n=3137-6502)

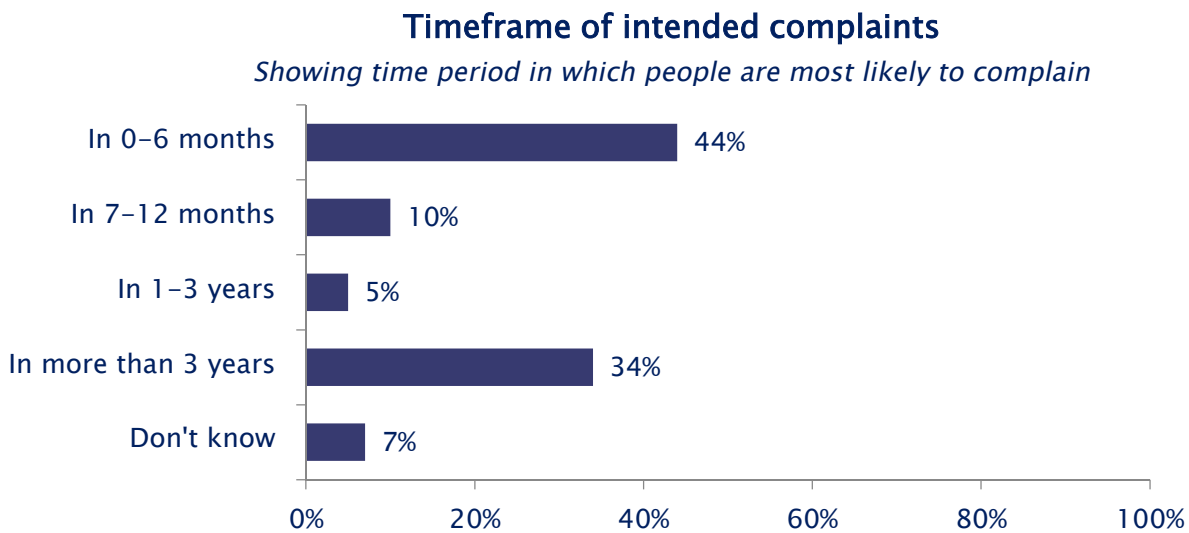
5.5 TIMEFRAME OF INTENDED COMPLAINTS

Those who intend to complain reportedly plan to do so in the near future: on a scale from zero (not likely at all) to ten (certain), more than two in five (44%) are most likely to complain in the next six months.

A third (34%) of those intending to complain are most likely to complain in more than three years. As with the perceived likelihood of checking whether they have had PPI at all (see Checking about PPI²⁰), this time gap suggests that it is relatively unlikely that these people will complain at all.

Figure 28: Timeframe of intended complaints

Using responses on a 0–10 scale for each option, we identified the time period in which people say they are most likely to complain. Where people select the same score out of 10 for two or more time slots, we allocated people to the latest time slot (i.e. if a person selected 2 for “in 0–6 months”, 3 for “in 7–12 months”, 6 for “in 1–3 years” and 6 for “in more than three years”, they would be allocated to “in more than three years”).



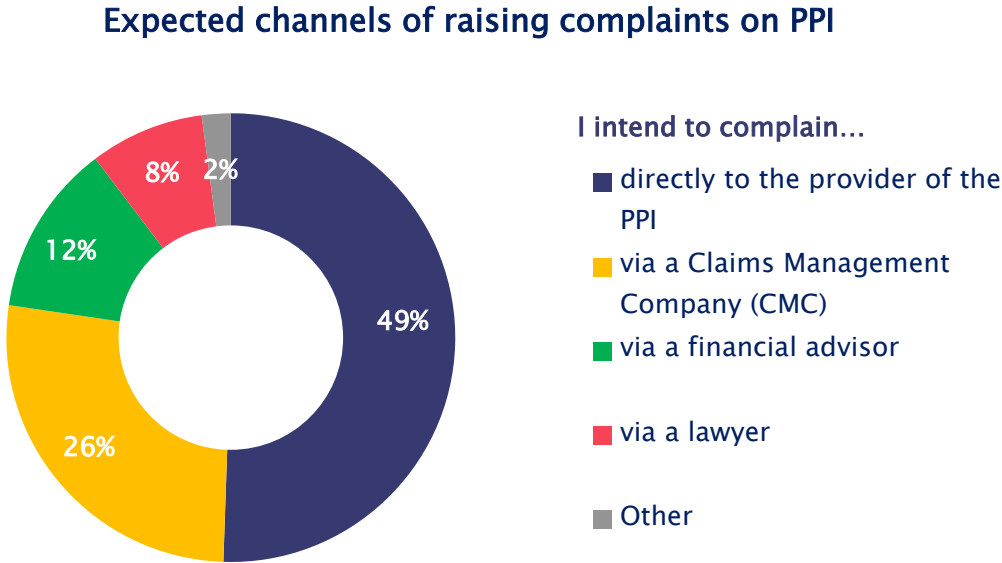
Q38: How likely, if at all, would you say that you are to complain within the following time periods? Base: All who intend to complain or complain again about at least one PPI policy [Excluding pilot for phase 4] (n=474)

²⁰ Section 2.2.

5.6 LIKELY CHANNELS FOR COMPLAINTS

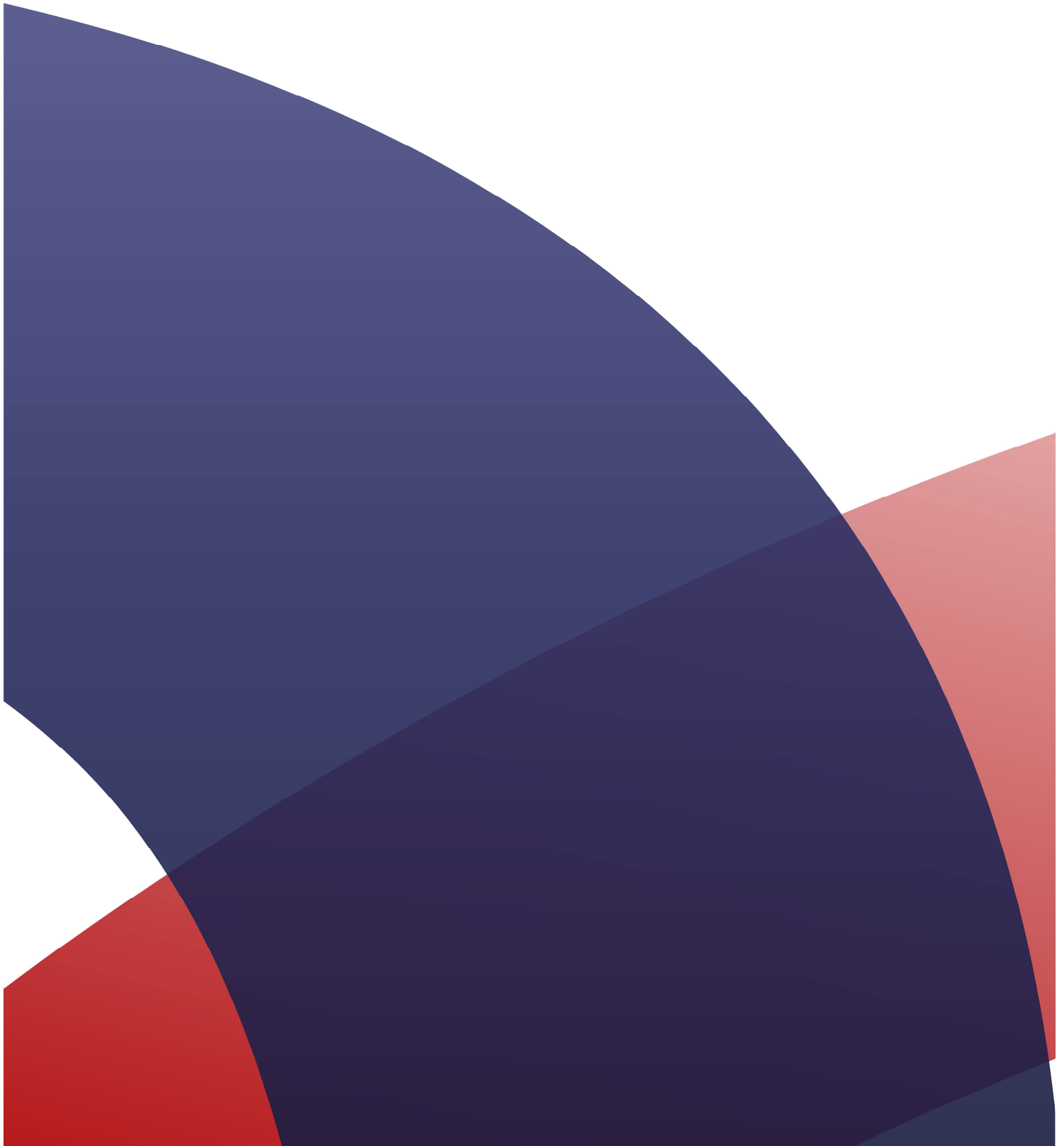
Those who intend to complain state that they expect to do so through methods broadly similar to those who have already complained. As Figure 29 shows, approximately half (49%) intend to complain directly to the provider. A quarter (26%) expects to complain through a CMC, followed at a distance by financial advisors (12%) and lawyers (8%).

Figure 29: Expected channel of raising complaints



Q39: How are you intending to complain? Base: All who intend to complain/ complain again about at least one PPI policy (n=508)

6. POTENTIAL FUTURE COMPLAINTS – POSSIBLE PPI HOLDERS



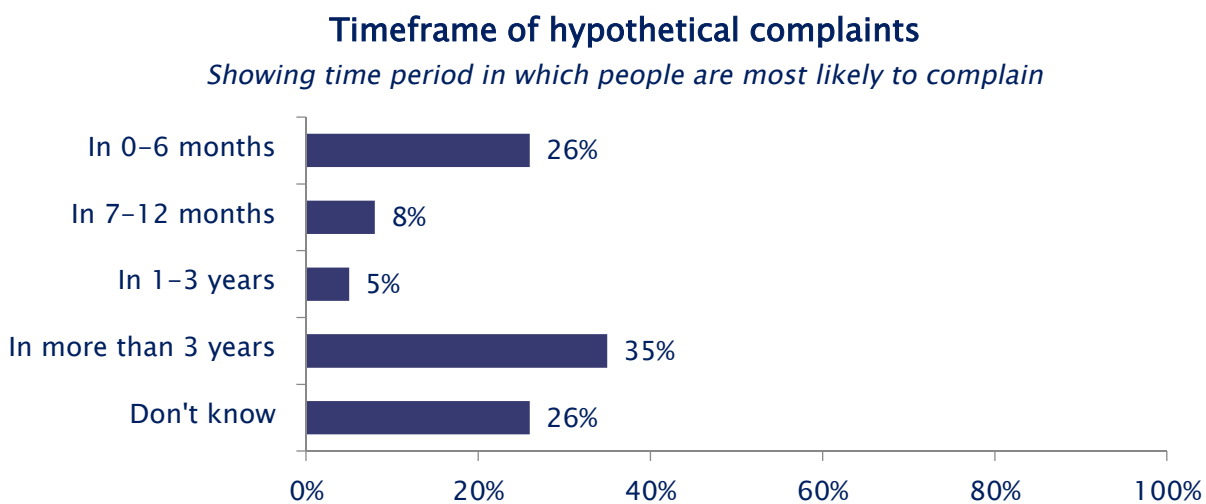
6.1 TIMEFRAME OF POTENTIAL COMPLAINTS

For those who are not 100% sure whether they have had PPI or “really don’t know”, we introduced a hypothetical scenario in phases two, three and four of the research where we suggested that they had discovered that they definitely held a PPI policy.²¹

Firstly, we then asked them to rate how likely they would be to complain in this situation, on a scale from 0–10. We then calculated the timeframe in which these people are most likely to complain – allocating them to one of the time slots based on the slot for which they select the highest score. Where people select the same score out of 10 for two or more time slots, we allocated people to the latest time slot (i.e. if a person selected 2 for “in 0–6 months”, 3 for “in 7–12 months”, 6 for “in 1–3 years” and 6 for “in more than three years”, they would be allocated to “in more than three years”).

Using this analysis, a quarter (26%) are most likely to complain in the next six months, whereas a third (35%) are most likely to complain in more than 3 years. Another quarter (26%) say they do not know when they would complain.²² As with Figure 28, it seems unlikely that the two latter groups would indeed complain at all.

Figure 30: Timeframe of hypothetical complaints



Q23c: Imagine that you checked whether you had payment protection insurance (PPI) and discovered that you had one or more PPI policies. How likely, if at all, would you say that you would be to complain within the following time periods? Base: All who are not 100% sure or really don't know if they have had a PPI policy [Phases 2/3] (n=594)

For Figure 30, we identified the time period in which people say they are most likely to complain using responses on a 0–10 scale for each option. In cases where equal scores were provided for each period we assigned the value to the option that is more distant in time to provide a more conservative evaluation.

²¹ For phases two and three of the research, we introduced an additional set of questions for those who were not sure whether they had held a PPI policy – either saying that they “really don’t know” or are “not 100% sure”. Further detail on this can be found in the Questionnaire Design section in the technical report.

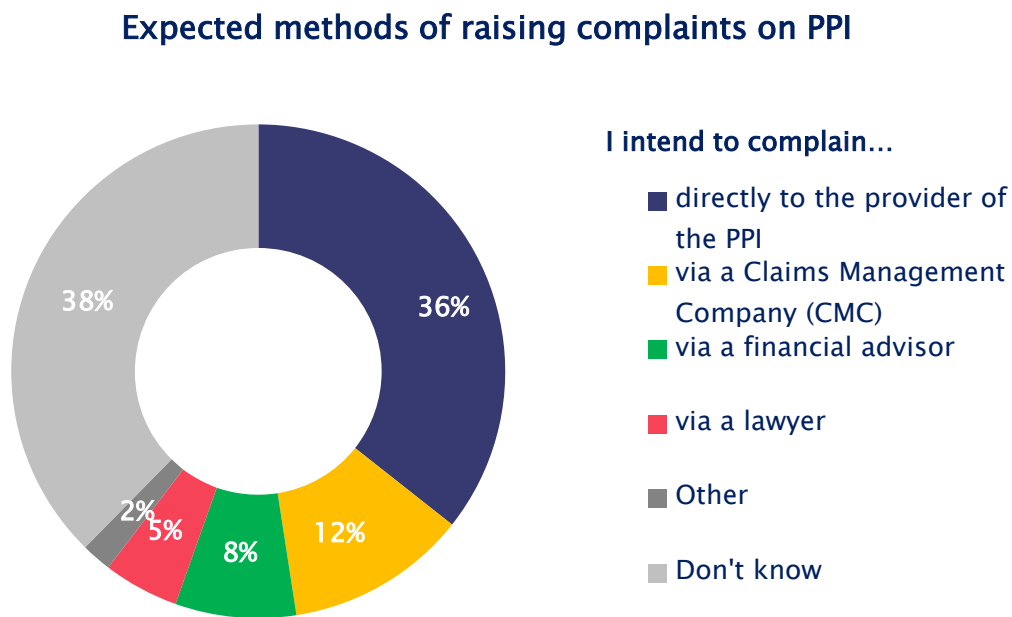
²² The high proportion of “don’t know” responses reflects a common trend when asking hypothetical questions, as respondents can find it difficult to place themselves in the situation posed.

6.2 CHANNELS FOR POTENTIAL COMPLAINTS

We also asked people who may have had PPI how they might complain in this situation:

- More than one third (36%) say that they would be likely to complain directly to their provider;
- Just one in eight (12%) say that they would be likely to complain via a CMC;
- Only 8% say that they would be likely to complain via a financial advisor, and one in twenty (5%) say they would complain via a lawyer.

Figure 31: Expected channel of raising complaints on PPI



Q23d: Imagine that you discovered that you had PPI and wanted to complain about the policy that you had. How would you complain? Base: All who are not 100% sure or really don't know if they have had a PPI policy [Phases 2/3] (n=594)

7. THE IMPACT OF PLEVIN VS. PARAGON PERSONAL FINANCE



7.1 INTRODUCING THE CASE

In wave 4 of the research, we wanted to understand whether information regarding the outcome of the Plevin vs. Paragon Personal Finance case had an impact on complaining behaviour around PPI. To do this, we first presented all people who have or have had PPI (n=2106) with information about the outcome of the case and its potential implications for their own situation – this information is included below:

Recently a Court ruled that the sale of a PPI policy to a customer was unfair as they were not told that nearly 75% of the price would be kept as commission rather than paying for the insurance. As a result, the customer was given some of their money back.

The PPI you bought may have included a high level of commission that was not revealed to you. So it is possible that if you complain now, you may also get back some or all of what you paid for your PPI because of undisclosed high commission.

To fully understand the impact of Plevin, it is important to understand the potential starting points of those on whom the case's impact was tested. Based on their responses to Q35 (see Intention of Complaining²³), there are three possible starting points:

1. **People already intending to complain** – those who have or have had PPI who had already stated, before information about the Plevin case was introduced, that they intended to complain about PPI. Information about Plevin could therefore :
 - a. Make them complain sooner
 - b. Have no impact on the timing of their complaint
 - c. Make them complain later

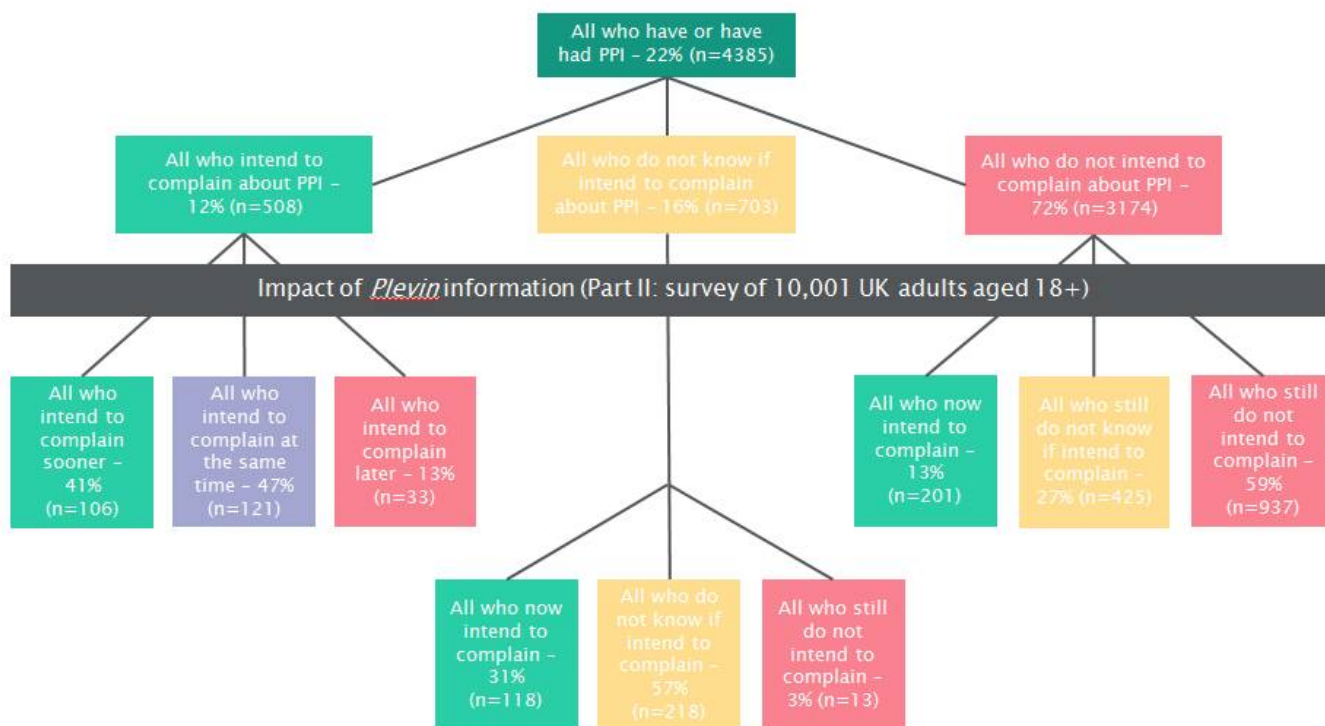
2. **People not intending to complain** – those who have or have had PPI who previously stated, before information about the Plevin case was introduced, that they did not intend to complain about PPI. Information about Plevin could therefore:
 - a. Change their mind and make them now intend to complain
 - b. Not change their mind, leaving them still not intending to complain
 - c. Confuse their thinking and leave them not knowing if they intend to complain

3. **People not knowing whether they intend to complain** – those who have or have had PPI who previously stated, before information about the Plevin case was introduced, that they did not know whether they intended to complain about PPI. Information about Plevin could therefore:
 - a. Change their mind and make them now intend to complain
 - b. Change their mind and make them now not intend to complain
 - c. Not change their mind, leaving them still not knowing whether they intend to complain

The impact of information about Plevin upon each of these groups will be assessed in the following sections – it is summarised in Figure 32.

²³ See section 5.1

Figure 32: Impact of Plevin – summary



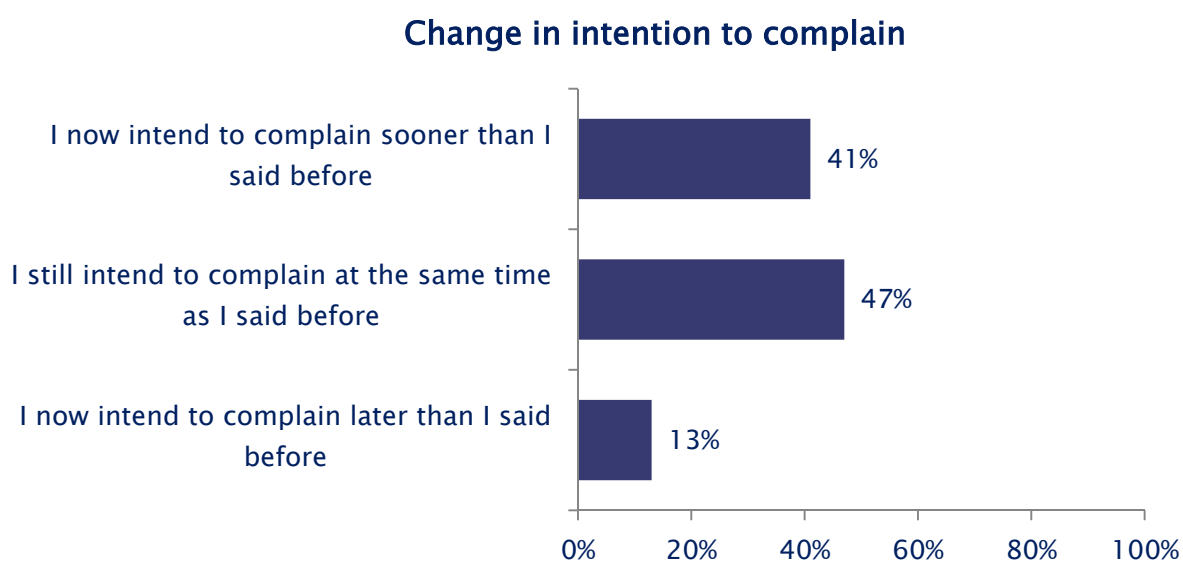
The base sizes given are unweighted. The percentages may not match the base figures given due to weighting.

7.2 PEOPLE ALREADY INTENDING TO COMPLAIN

Two in five PPI holders who previously stated that they intend to complain about their PPI policy (41%) say they now intend to complain sooner after hearing about the Plevin case. Almost half (47%) report that they still intend to complain at the same time as they said before, as Figure 33 shows.

Only one in eight PPI holders who previously stated that they intend to complain about their PPI (13%) say they now intend to complain later than they said before.

Figure 33: Impact of Plevin – intention to complain (1 / 2)



Q48: You previously indicated that you already intend to complain about your PPI policy. Has this new information about commission changed **when** you intend to complain? Base: All who intend to complain/complain again about at least one PPI policy (n=260)

Among those for whom the new information has changed the intended timing of their complaint, three in ten (28%) say they will do so due to heightened awareness or motivation to complain, and one in ten (11%) in expectation of compensation. A further three in ten (29%) could give no reason for changing their intended time of complaining.²⁴

Women (48%) are more likely than men (36%) to say that they now intend to complain sooner about their PPI after hearing the new information.

²⁴ Q49: Why has this new information changed your mind about when you will complain? Base: all who intend to complain sooner or later than they originally envisaged due to Plevin information [Phase 4 only] (n=139).

7.3 PEOPLE NOT INTENDING TO COMPLAIN OR NOT KNOWING IF THEY INTEND TO COMPLAIN

Figure 34 summarises the overall impact of the Plevin case for those who previously had not intended to complain or had not known if they would.

People previously not intending to complain

Three in five PPI holders who previously stated that they do not intend to complain about their PPI (59%) still do not intend to complain after hearing about the Plevin case. Only for one in eight (13%) has the new information changed their mind as they say they now intend to complain. A quarter of PPI holders who previously stated that they do not intend to complain about their PPI (27%) now say they do not know whether they now intend to complain after hearing the Plevin information.

Among those who did not intend to complain before hearing the new information about Plevin but do intend to complain now, a quarter (24%) say they will do so due to perceptions of greater compensation, while another quarter (23%) cite greater awareness and motivation.²⁵ For one in five (20%) it is the realisation of the high commission percentage that changed their mind.

Younger people among those who had not intended to complain are significantly more likely than older people to say that they now intend to complain after hearing the new information. Whereas a quarter of those aged 25–34 (24%) report having changed their mind to intending to complain, only 6% of those aged 65 and older report the same.

People previously unsure if they intended to complain

After hearing about the Plevin case, more than half (57%) still do not know whether they now intend to complain. One in three PPI holders who previously stated that they do not know whether they intend to complain about their PPI (31%) now say they do intend to complain after hearing about the Plevin case.

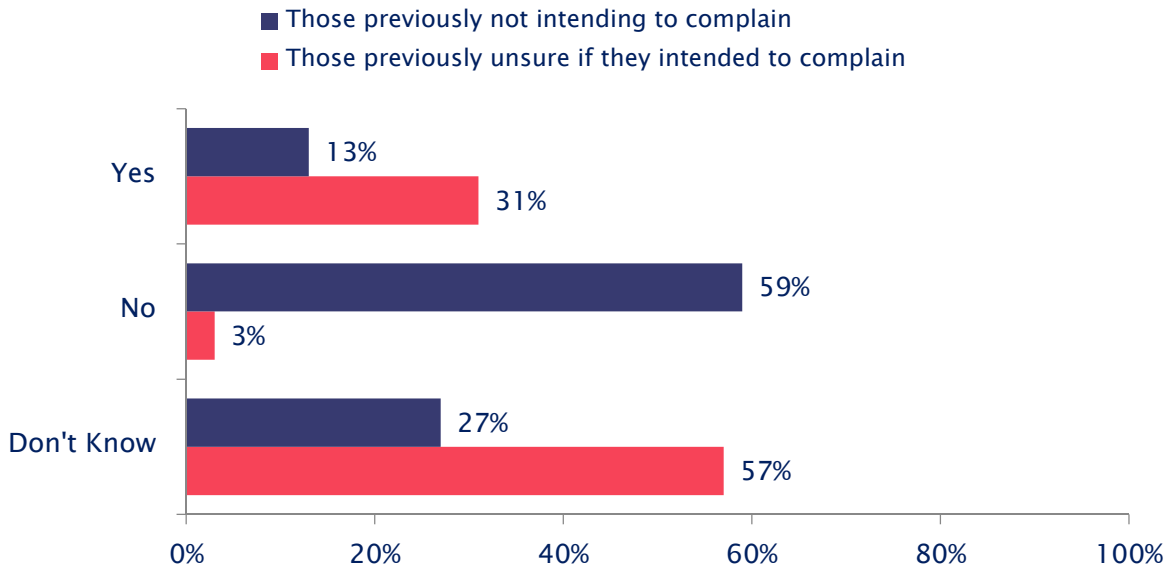
Among those who previously did not know whether they intended to complain but do intend to complain now, a quarter (23%) say they will do so in the expectation of money, while one in five (21%) cite greater awareness and motivation.²⁶

²⁵ Q51a: You have indicated that you now intend to complain about your PPI policy. Why has this new information changed your mind about whether you will complain? Base: all who changed their mind from not intending to complain to complaining after Plevin information [Phase 4 only] (n=201).

²⁶ Q53c: You have indicated that you now intend to complain about your PPI policy. Why has this new information changed your mind about whether you will complain? Base: all who have changed their mind from not knowing whether they intended to complain to now intending to complain after Plevin information [Phase 4 only] (n=118)

Figure 34: Impact of Plevin – intention to complain (2/2)

Impact of Plevin case on intention to complain



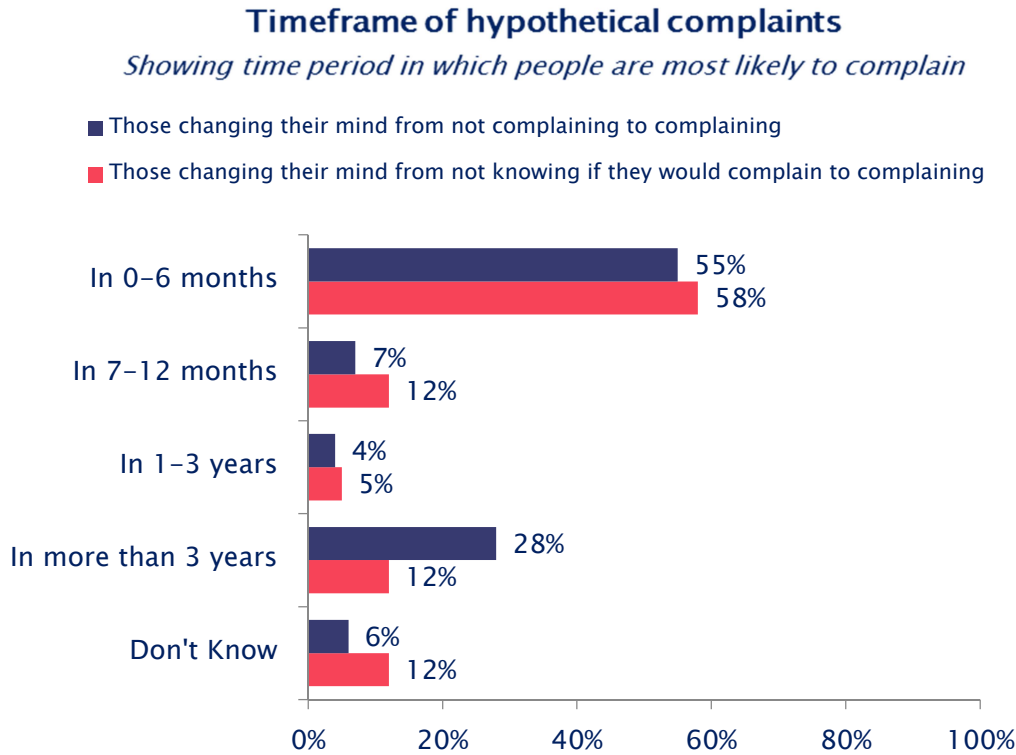
Q50. You previously indicated that you do **not** intend to complain about your PPI policy. In light of this information, do you now intend to complain? Base: All who do not intend to complain/complain again about at least one PPI policy (n=1563); Q53b: You previously indicated that you do not know whether you intend to complain about your PPI policy. In light of this new information, do you now intend to complain? Base: All who do not know if they intended to complain about at least one PPI policy [Phase 4 only] (n=383)

Timeframe of complaints

More than half of those who changed their mind after hearing about the Plevin case from not intending to complain to intending to complain (55%) are most likely to complain in the next six months. Just under three in ten (28%) are most likely to complain in more than 3 years.

Almost three in five of those who changed their mind after hearing the Plevin information from not knowing whether they intended to complain to intending to complain (58%) are most likely to complain in the next six months.

Figure 35: Impact of Plevin – timeframe of hypothetical complaints



Q51b. You have indicated that now, in the light of the new information, you do intend to complain about your payment protection insurance (PPI) policy. When do you think you are likely to complain? Please indicate how likely on a scale of 0 to 10 where 0 = not likely at all and 10 = certain. Base: All who changed their mind from not complaining to complaining after *Plevin* information (n=178); Q53d: You have indicated that now, in the light of the new information, you do intend to complain about your payment protection insurance (PPI) policy. When do you think you are likely to complain? Please indicate how likely on a scale of 0 to 10 where 0 = not likely at all and 10 = certain. Base: All who changed their mind from not knowing whether to complain to complaining after *Plevin* information (n=118)

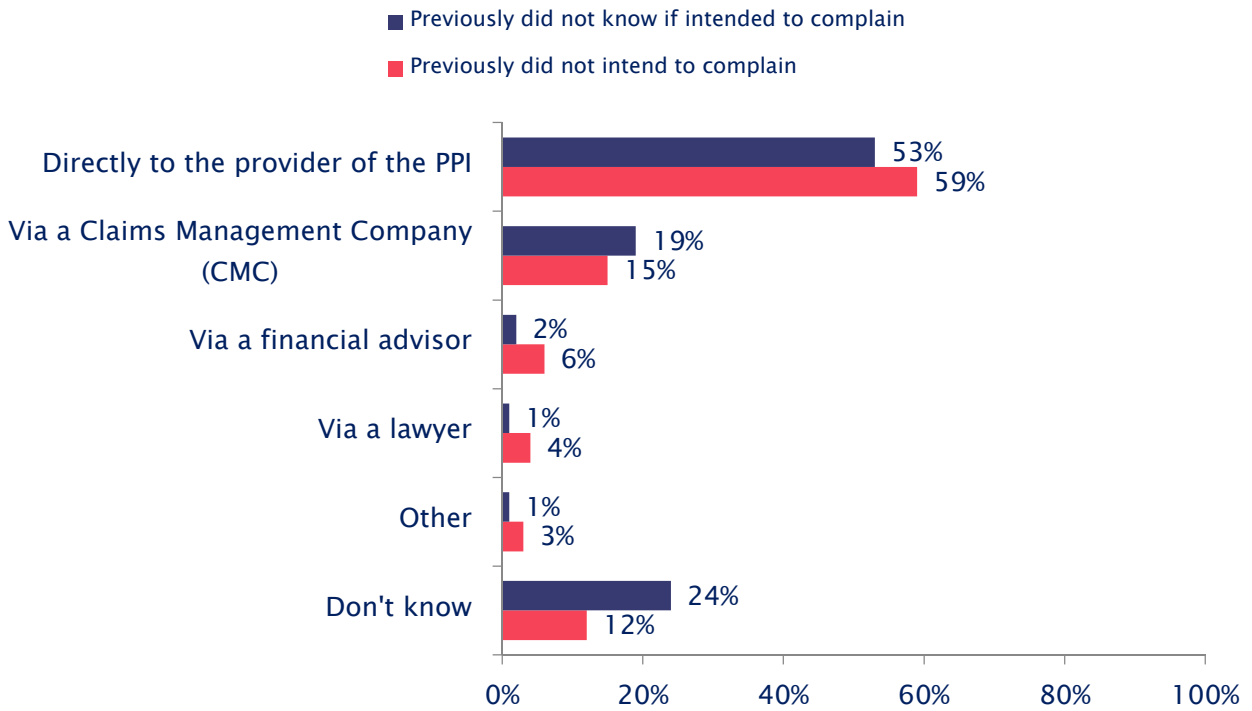
Channel of complaints

Three in five of those who changed their mind after hearing the Plevin information from not intending to complain to intending to complain (59%) say they would do so directly to the provider of the PPI. One in seven (15%) say they would do so via a CMC.

Roughly half of those who changed their mind after hearing the Plevin information from not knowing whether they intended to complain to intending to complain (53%) say they would do so directly to the provider of the PPI. One in five (19%) say they would do so via a CMC. However, a quarter (24%) say they do not know how they would raise their complaint.

Figure 36: Impact of Plevin – expected channels of raising complaints on PPI

Expected channels of raising complaints on PPI



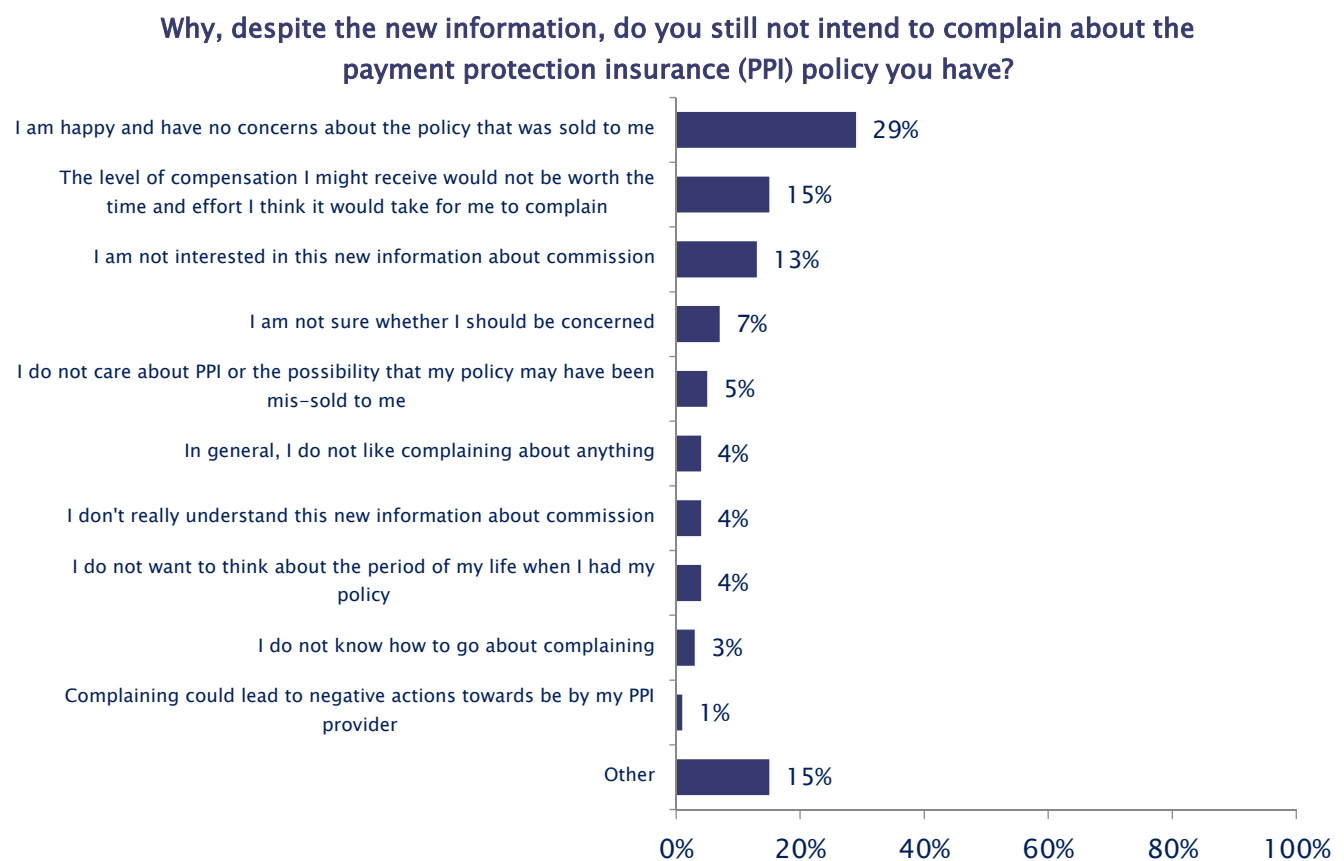
Q52: How are you intending to complain? Base: All who changed their mind from not complaining to complaining after *Plevin* information (n=201). Q53e: How are you intending to complain? Base: All respondents who changed their mind from not knowing whether to complain to complaining after *Plevin* information (n=118)

7.3 REASONS FOR NOT INTENDING TO COMPLAIN AFTER HEARING NEW INFORMATION

Three in ten PPI holders who did not intend to complain about their PPI before hearing the new information and still do not intend to complain (29%) say they are happy and have no concerns about the policy they were sold.

One in seven (15%) say that the level of compensation they might receive would not be worth the time and effort required of them. A similar proportion (13%) say they are not interested in this new information about commission.

Figure 37: Impact of Plevin – barriers to complaining



Q54a: Why, despite the new information, do you still not intend to complain about the payment protection insurance (PPI) policy you have? Base: All who still do not intend to complain about PPI and previously did not intend to complain, excluding those who have no further policies left to complain about (n=611)

Older people are more likely than younger people to say that they still do not intend to complain because they are happy and have no concerns about the policy that was sold to them. A quarter of those aged 55–64 (26%) say this, as well as a slightly lower proportion of those aged 65+ (22%), compared to one in seven of those aged 25–35 (14%).

8. APPETITE FOR REPAYMENT INSURANCE AFTER PPI



8.1 REPAYMENT INSURANCE NOW THAT PPI IS NO LONGER BEING SOLD

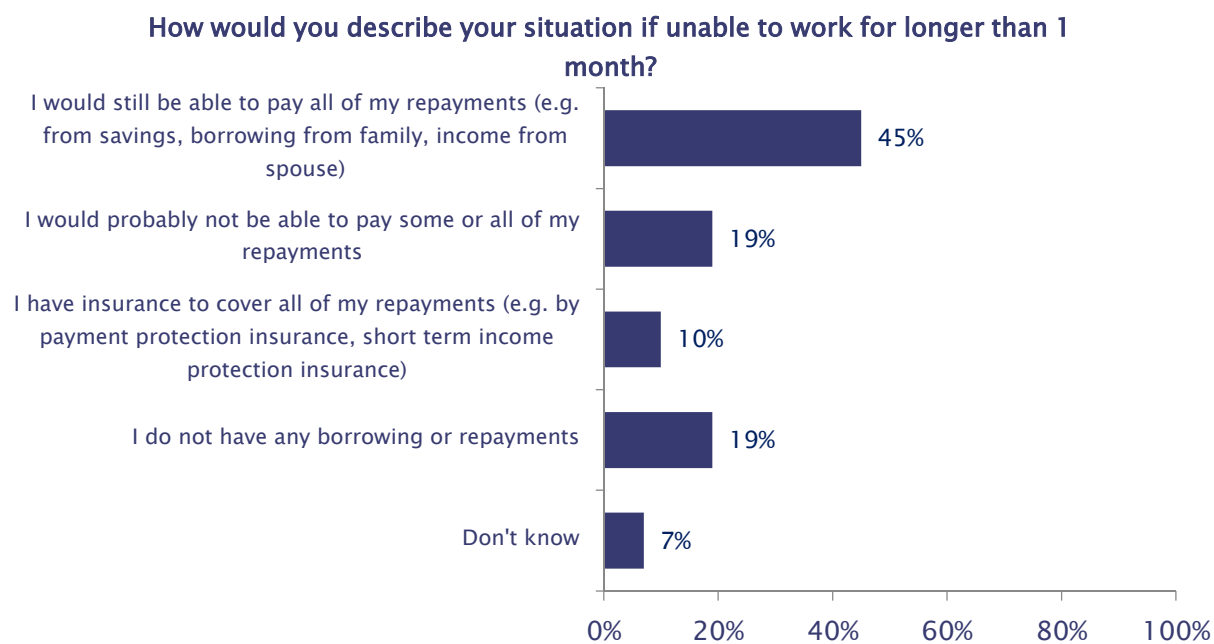
In phase 4, we also wanted to explore the status of the marketplace after PPI – in other words, whether people were interested in buying repayment insurance after PPI policies stopped being sold around November 2010.

To do this, we asked a series of questions of people who hold one or more of three types of loan or credit (namely, a personal loan, a credit card and a mortgage) and are currently in work, asking them how they would fare financially if they became unable to work for longer than a month due to accident, sickness or unemployment.

As Figure 38 shows, only one in ten people with at least one of these credit products and currently in work (10%) report having insurance that would cover all of their repayments.

This leaves a large cohort which does not have insurance to cover their repayments – these present varying levels of concern. Almost half of those who have at least one credit product and are currently working (45%) say they would still be able to pay all of their repayments on any loan, credit card or mortgage they might hold. However, one in five (19%) say they will probably not be able to pay some or all of their repayments if they become unable to work for longer than one month.

Figure 38: Repayment situations if unable to work



Q56: If you became unable to work for longer than a month due to accident, sickness or unemployment, which of the following would best describe your situation? Base: All who have at least one credit product and are currently working (n=4730)

Younger people are more likely than older people to report that they would probably not be able to pay some or all of their repayments if they became unable to work for longer than a month due to accident,

sickness or unemployment – three in ten 18–24 year-olds (29%) say this, compared to fewer than one in ten of those aged 65+ (8%).

Similarly, women (22%) are more likely than men (16%) to say that they would probably not be able to pay some or all of their repayments.

8.2 CONSIDERATION OF REPAYMENT INSURANCE

For those who do not have insurance products to cover repayments on all of their borrowings (and therefore could be vulnerable if they suffered a loss of short-term income), we then explored the extent to which they had considered taking out repayment insurance.

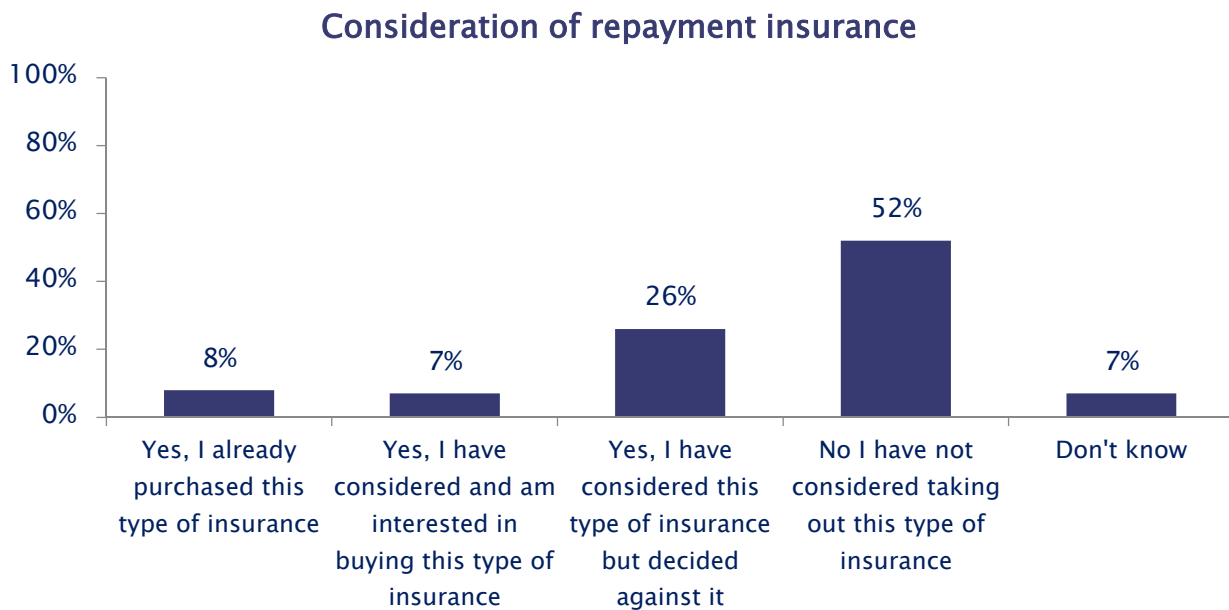
As Figure 39 shows, half of those who do not have insurance which covers all of their borrowings or repayments (52%) report not having considered taking out insurance that protects their short-term income if they became unable to work for longer than a month through accident, sickness or unemployment.

In contrast, one in twelve (8%) say they have already purchased this type of insurance for some (but not all) of their borrowings.

A similar proportion (7%) report having considered buying this type of insurance and are still interested in it.

A quarter of those who do not have insurance for all of their credit products (26%) have considered buying this type of insurance but decided against it.

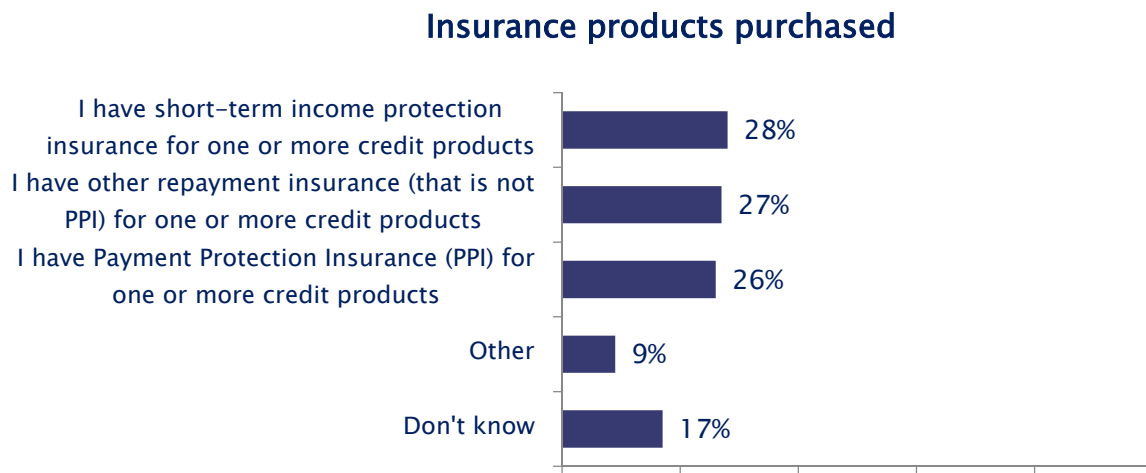
Figure 39: Consideration of repayment insurance



Q57: Have you considered taking out insurance that protects your repayments, or insurance that protects your short term income, if you become unable to work for longer than a month through accident, sickness or unemployment? Base: All who have at least one credit product, are working, have borrowings and do not have insurance to cover repayments on all of them (n=3342)

Figure 40 shows the breakdown for those who report having purchased short-term income protection insurance for some but not all of their borrowings (i.e. the 8% from Figure 39 above). One quarter of these people (26%) say that they have PPI for one or more credit products. A similar proportion say either that they have other repayment insurance that is not PPI (27%) or that they have short-term income protection insurance (28%).

Figure 40: Insurance products purchased



Q58: Which type of insurance product did you purchase? Examples of credit products include loans, mortgages and credit cards. Base: All who have at least one credit product, are working, have purchased insurance cover for inability to work for some but not all borrowings (n=248)

8.3 BARRIERS TO PURCHASE OF INSURANCE COVER

As Figure 41 shows, among those who have already purchased insurance cover for some but not all of their credit products, more than a third (36%) report not having bought this for all of their products because they do not need these types of insurance for their other products. A similar proportion (35%) of those who have not yet purchased any insurance cover (35%) also say that this is because they do not need these types of insurance.

Among both of the above groups – those who have purchased insurance for some but not all of their policies and those who have not yet purchased any insurance – a quarter of each group (23% for each) have come across these types of insurance products but decided not to buy them as they deemed them too expensive.

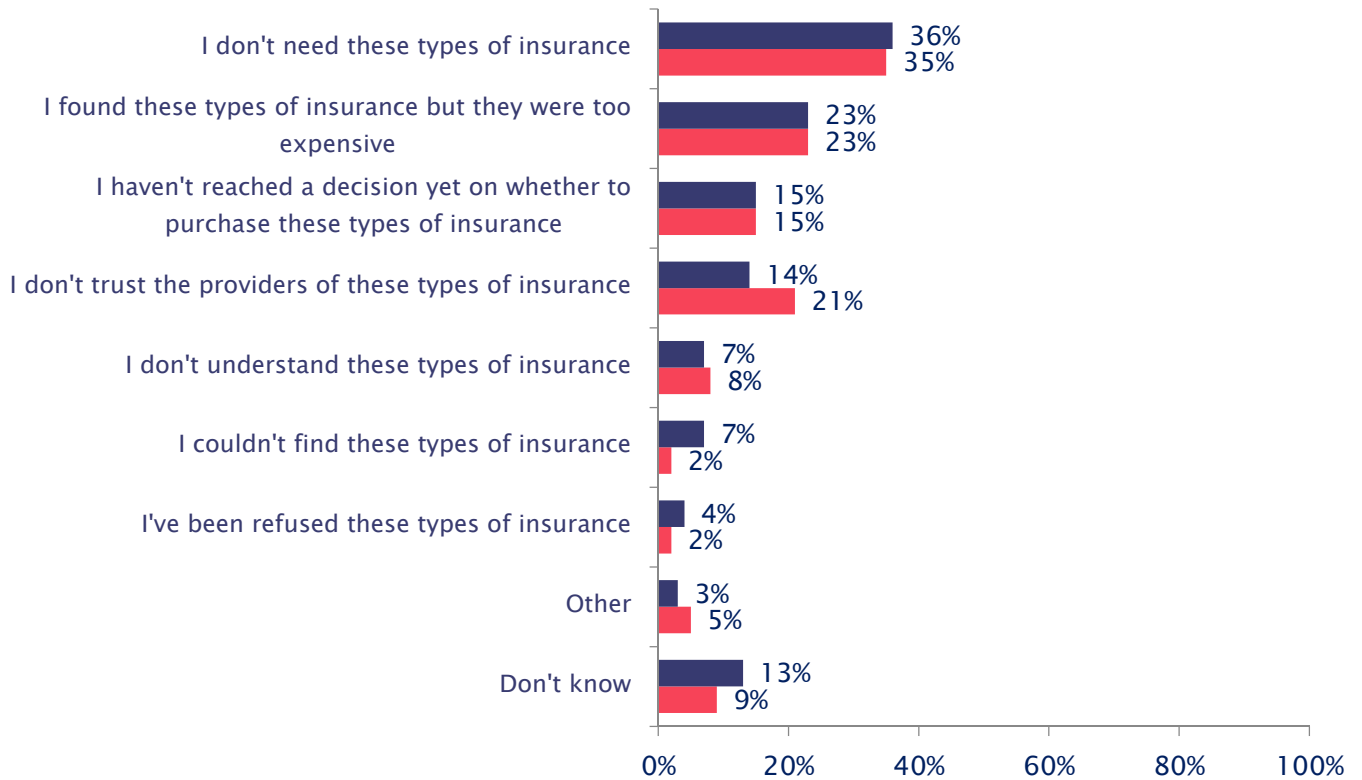
One in seven of those who have already purchased insurance cover for some but not all of their borrowings (15%) say that they have not reached a decision yet on whether to purchase this insurance for their outstanding products. The same proportion of those who have not yet purchased cover (15%) also say this.

One in five of those who have not purchased this insurance cover for any of their borrowings (21%) report not having bought such insurance because they do not trust the providers of these types of insurance. In contrast, 14% of those who have purchased insurance cover for some but not all of their borrowings say that they have not bought insurance for their other products because they do not trust the providers.

Figure 41: Reasons for not purchasing other insurance

Reasons for not purchasing other insurance

- All who have purchased insurance cover for inability to work on some but not all credit products
- All who have not purchased insurance cover for inability to work for any products



Q59: Thinking about the financial products that you don't have insurance for, which of the following best describes why you have not purchased this type of insurance for your other loan, credit card or mortgage? Base: All who have purchased insurance cover for inability to work for some but not all borrowings (n=248); Q60: Which of the following best describes why you have not purchased or not considered purchasing this type of insurance product? Base: All who have not purchased insurance to cover inability to work for any borrowings (n=3067)

FURTHER INFORMATION

For more information please contact:

Nick Allen

Associate Director

0207 871 8650

nick.allen@comres.co.uk

Tom Clarkson

Research Team Leader

0207 871 8659

tom.clarkson@comres.co.uk

Moritz Reinsch

Consultant

0207 871 8637

Moritz.reinsch@comres.co.uk





LONDON

Four Millbank
London
SW1P 3JA

T: +44 (0)20 7871 8660

F: +44 (0)20 7799 2391

E: info@comres.co.uk

BRUSSELS

Rond Point Schuman 6
Box5, 1040
Bruxelles

T: +32 (0)2 234 63 82

F: +32 (0)2 234 79 11

E: info@comres.eu.com

WWW.COMRES.CO.UK