

The UK's £5 billion "Protection Racket"

Payment Protection Insurance (PPI) is very big business, and **extremely** profitable for the banks and Insurance Companies. But unfortunately we have found that up to **50% of all policies sold have been mis-sold**. The mis-selling of these policies is such a problem that the Citizens Advice Bureau (CAB) have called it a **Protection Racket** and issued a "**Super Complaint**" to the Office of Fair Trading.

PPI is sold to borrowers with the promise of peace of mind and reassurance that credit or mortgage payments will be covered if their personal or financial circumstances change for the worse. However, many people find that they cannot make a successful claim on their policy because of exclusion clauses and administrative barriers to making a claim.

Although PPI clearly plays an important role in protecting many borrowers against potential debt, evidence suggests that it fails a significant number of people with policies. Findings show a disproportionately high number of claims being turned down. A survey by the CAB found that **85 per cent of those that had claimed on PPI had been unsuccessful and had their claim rejected**.

The Cost of PPI Cover

Research has shown the cost of PPI, as a percentage of the total loan/borrowing, can vary from 13% to a staggering 56% of the amount borrowed.

The table below shows, from recent cases reported, PPI premiums as a proportion of loan:

Loan Type	Loan Amount	PPI Premium	Premium As A Percentage of Total Loan
Unsecured personal loan	£11,000	£5,133	47%
Secured Loan	£25,000	£12,127	43%
Remortgage	£35,000	£10,150	29%
Hire Purchase	£5,000	£2,150	43%
Car Purchase	£8,000	£4,480	56%

How PPI Policies are Sold

Evidence shows that borrowers are often sold policies that are completely inappropriate and of no use to the borrower. High Pressure Selling or unfair practices can force people to take out PPI that they cannot afford, did not want, do not need and could never claim on. Many of our clients were never told that they could shop around for PPI, that it was not compulsory, that they could have a pay monthly policy rather than have it added to the total loan.

The Worst High Street Lenders

According to the research, Natwest, Abbey, the Alliance & Leicester and Northern Rock top the PPI rip-off table. Based on a 5 year unsecured loan:

Lender	Loan Size	PPI Cost	Loan With PPI	Percentage PPI
NatWest	£10,000	£3,267	£13,267	32.67%
Abbey	£10,000	£2,766	£12,766	27.66%
A&L	£10,000	£2,376	£12,376	23.76%
Northern Rock	£10,000	£2,233	£12,233	22.33%

Protection
Racket

MIS-SOLD

COMPENSATION

WINNERS

£20

Were You Mis-Sold & Can You Claim

Even if the policy is no longer in force, and the borrowing repaid, if you feel you were mis-sold, you can still make a claim for compensation, and a refund of the premiums paid. You may have had a loan and consolidated this loan and other borrowings into a single new loan; **you can still make a claim on the old loans**, not just the new loan.

The enclosed questionnaire lists a number of possible mis-selling situations; all are suitable reasons to make a complaint.

Why Oasis Financial Services?

Oasis Financial Services won over **£20,000,000 of Endowment Compensation** for our 30,000 clients in 2006. Now focussing on mis-sold PPI policies, we have already, in 2007, won many PPI compensation claims.

Recently we won £9,640 in PPI compensation for a couple with two secured loans, who felt that they had been pressured into buying the PPI, as they believed that they would be turned down for the loan if they did not buy the insurance. **Our win allowed them to pay off their loan 8 months early.**

Mr & Mrs F each took out a 5 year loan for £25,000.00 in 2002. The cost of PPI on each loan was £4,820.43. One of the couple had tried to claim under the policy, but their claim was rejected due to a pre-existing condition they were not advised of at the time of sale. Both clients said they had felt pressured into buying the PPI as they believed it was compulsory and would increase their chances of getting the loan. Having already used Oasis to win them compensation on their endowment, the couple appointed us in January to help them with their PPI.

The bank offered to refund the full PPI premium for both policies, and also refund the interest that was charged on this amount, as it was a single premium policy. The couple received £9,640.86 + Interest. As a result they were able to pay off their loan around 8 months early.

TOTAL AWARDED £9,640.86 + Interest

Mr H took out a loan in June 2005 for £13,500.00. The total cost of the front loaded (i.e the total PPI policy costs were added to the total loan cost) PPI was an additional £3,214.80. Mr H has never tried to claim on his policy, but when Oasis advised him that he may have been mis-sold his PPI he decided to make a claim. Mr H stated on our questionnaire that he was actually told that if he did not take PPI he would be refused the loan, as he didn't have the assets to repay it if he became unemployed. He was also not told that he could shop around and buy PPI elsewhere.

The Bank upheld our complaint with the investigator, stating that the operator who sold the loan 'acted in an unprofessional manner'. Mr H was awarded a refund of £1,018.02 and had the remaining loan repayments reduced by £53.58 per month.

TOTAL AWARDED £1,018.02 – Overall Saving £3,214.80

Mr P took out PPI on a loan in August 2004. When he tried to make a claim in January 2005, he was declined on the basis that he had a pre-existing condition. Mr P feels that when he took the loan he was put under pressure to take the PPI. He also feels that the terms and conditions, as well as the exclusions, were not explained to him, thus he was totally surprised when his claim was rejected.

Mr P was so disappointed he paid off his loan early and received a rebate for his unused premium. Still not happy with the way he had been treated, Mr P appointed Oasis to fight his mis-selling complaint and was subsequently awarded an additional £1711.30 as a refund of the rest of the PPI premium.

TOTAL AWARDED £1,711.30

Mrs S had PPI on her credit card which was sold to her over the telephone. Despite the application form showing she was un-employed, she was still advised on and subsequently sold the PPI. Following their investigation, the card provider upheld the complaint stating 'it was clear you were not eligible to take up CCRC and the policy sale was therefore not appropriate' (CCRC – Credit Card Repayment Cover) The client had cancelled the PPI in October, but following Oasis taking on the case in December, she was awarded a full refund of premiums paid totalling £1234.34.

TOTAL AWARDED £1,234.34

Our Fees – NO WIN NO FEE

There are no upfront payments or hidden extras. We only charge for our services when we get an offer, and even then you keep the large majority of the payout. Our fees are only a percentage of the compensation awarded to you, so you will never be out of pocket by seeking compensation through us.

Making It Easy For You

Once you appoint Oasis Financial Services, we will handle your claim from start to completion, on the now common **NO WIN NO FEE** basis.

We will do everything we can to get a full refund of premiums paid, compensation if you have tried to claim unsuccessfully on the policy, and interest on the premiums already paid.

Remember, we work on a **NO WIN NO FEE** basis, so you have nothing to lose and everything to gain – even if the policy is no longer in force.

What To Do Now

If you wish to appoint Oasis Financial Services to handle your complaint, please take time to read the enclosed information, complete the enclosed Claim Form and Questionnaire, return them both in the enclosed freepost envelope, and relax in the knowledge that the experts are working for you. Of course, if you require additional information, or do not understand our services, please call us free on **0808 200 1055**.