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FINAL NOTICE

To: **Professional Personal Claims Limited ("PPC")**

Reference

Number: **835856**

Address: **4 Old Park Lane, Mayfair, London, W1K 1QW**
and 34 Clarence Street, Southend On Sea, SS1 1BD

Date: **17 December 2019**

1. ACTION

- 1.1. For the reasons given in this Final Notice, the Authority hereby imposes on PPC a financial penalty in the sum of £70,000 pursuant to section 206 of the Act.

2. SUMMARY OF REASONS

- 2.1 PPC is a claims management company (“CMC”). CMCs play an important role in helping to secure compensation for their customers, including for those who otherwise might not make a claim. However, misconduct by CMCs, such as misleading advertising and the pursuit of unfounded compensation claims, can cause widespread harm.
- 2.2 With effect from 1 April 2019, responsibility for the regulation of CMCs was transferred from the Claims Management Regulation Unit (“CMRU”) (a unit of the Ministry of Justice) to the Authority, whereupon new rules governing the conduct of CMCs came into force. Prior to 1 April 2019, a different regulatory regime governed the conduct of CMCs, namely the Conduct of Authorised Persons Rules 2014 (“CAPR”), which had been made by the CMRU under the Compensation (Claims Management Services) Regulations 2006 (“2006 Regulations”). The 2006 Regulations and the CAPR do not apply to conduct by CMCs from 1 April 2019 onwards but did apply to PPC’s conduct before that date.
- 2.3 On 20 June 2017, the CMRU under regulation 51 of the 2006 Regulations notified PPC that it was minded to impose a financial penalty on PPC for breaches of the CAPR (the “Minded-to Letter”). After considering the representations made to it by PPC, the CMR on 5 December 2018 and acting under regulation 52 of the 2006 Regulations notified PPC that it was required to pay a financial penalty of £70,000 to the CMRU (the “Penalty Notice”). The Minded-to Letter and the Penalty Notice are collectively referred to in this Final Notice as the “CMRU Notices” and are annexed hereto respectively as Annexes A and B.
- 2.4 PPC appealed to the General Regulatory Chamber of the First-tier Tribunal (“FTT”) against the Penalty Notice. Pursuant to articles 53 and 65 of The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (“2018 Order”), which contains transitional provisions for the transfer of regulatory responsibility from the CMRU to the Authority from 1 April 2019, the Penalty Notice is to be treated as a decision notice given by the Authority under section 208(1)(b) of the Act, and the Authority was substituted for the CMRU as the respondent to PPC’s pending appeal.
- 2.5 The CMRU Notices stated that PPC had (inter alia):

- (1) Operated five websites on which the names and logos of five major UK banks

were prominently displayed and the domain names of which included the names of these banks ("PPC Bank Websites");

- (2) Sent printed materials (including "Claim Forms") to consumers on which the names of the five banks, but not PPC's own name, were prominently displayed;
 - (3) Through the PPC Bank Websites and these printed materials, led some consumers to believe that they were submitting claims for redress for mis-sold payment protection insurance ("PPI") directly to the lenders with whom they had taken out PPI, whereas in reality consumers were engaging PPC as a CMC to pursue claims for redress on their behalf in return for payment of a success fee; and
 - (4) Submitted claims for redress for mis-sold PPI to the five banks using Financial Ombudsman Service questionnaires ("FOS Questionnaires") into which PPC had inserted very similar or identical factual allegations for different clients, leading the CMRU to conclude that PPC was failing to present accurate, fully formed, detailed and specific complaints to banks.
- 2.6 On 16 September 2019, PPC under rule 17 of The Tribunal Procedure (First-tier Tribunal) (General Regulatory Chamber) Rules 2009 withdrew its appeal against the Penalty Notice with the FTT's consent.
- 2.7 Accordingly, the Authority hereby imposes a financial penalty in the amount of £70,000 on PPC for the failings identified in the CMRU Notices.

3. DEFINITIONS

- 3.1. The definitions below are used in this Final Notice:

"2006 Regulations" means the Compensation (Claims Management Services) Regulations 2006 made under the Compensation Act 2006;

"2018 Order" means The Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018;

"the Act" means the Financial Services and Markets Act 2000;

“the Authority” means the body corporate previously known as the Financial Services Authority and renamed on 1 April 2013 as the Financial Conduct Authority;

“CAP Code” means the UK Code of Non-broadcast Advertising, Sales Promotion and Direct Marketing;

“CAPR” means the Conduct of Authorised Persons Rules 2014;

“Claim Forms” means documents sent to consumers by PPC to obtain information and setting out the terms and conditions subject to which PPC would pursue PPI redress claims on their behalf;

“CMC” means claims management company;

“CMRU” means the Claims Management Regulation Unit;

“CMRU Notices” refers collectively to the Minded-to Letter and the Penalty Notice;

“FOS Questionnaires” means template questionnaires available from the Financial Ombudsman Service into which information supporting a claim for redress for mis-sold PPI may be inserted;

“FTT” means the First-tier Tribunal;

“Minded-to Letter” means the CMRU’s notice of proposed financial penalty dated 20 June 2017;

“Penalty Notice” means the CMRU’s notice dated 5 December 2018 under the 2006 Regulations notifying PPC that it was required to pay a £70,000 financial penalty;

“PPC” means Professional Personal Claims Limited;

“PPC Bank Websites” means the following websites while operated by PPC in around 2015-2016: www.barclays-ppi.co.uk; www.lloydstsb-ppi.co.uk; www.halifax-ppi.direct; www.rbs-ppi.direct and www.natwest-ppi.direct;

“PPI” means payment protection insurance.

4. FACTS AND MATTERS

- 4.1. The facts and matters below are a summary of those set out in the CMRU Notices. Names of individuals have been redacted in the CMRU Notices reproduced as Annexes A and B to this Final Notice.
- 4.2. Between October 2015 and March 2017, the CMRU received 14 complaints against PPC from clients of PPC and other parties who considered (inter alia) the design and content of the PPC Bank Websites and of PPC's documentation to be misleading.
- 4.3. The PPC Bank Websites operated by PPC had the following domain names: www.barclays-ppi.co.uk; www.lloydstsb-ppi.co.uk; www.halifax-ppi.direct; www.rbs-ppi.direct and www.natwest-ppi.direct. In around 2015-2016, the PPC Bank websites replicated the colour schemes traditionally used by the UK banks whose names appeared in their domain names and prominently displayed the names and logos of these UK banks.
- 4.4. Once consumers had supplied their contact details and other information by means of the PPC Bank Websites, PPC posted Claim Forms and other printed material to them. The Claim Forms did not prominently identify PPC as the sender but prominently displayed the names of major UK banks. The Claim Forms collected information from consumers and set out the terms and conditions subject to which PPC would pursue claims for redress for mis-sold PPI on their behalf.
- 4.5. It was only after consumers had engaged PPC by signing the Claim Forms and returning them to PPC that consumers received correspondence from PPC which prominently displayed PPC's own name rather than the name of any UK bank.
- 4.6. Several of PPC's clients and other consumers complained that they had been misled by the PPC Bank Websites, Claim Forms and other conduct by PPC. Several PPC clients complained that they believed they had submitted requests for redress for mis-sold PPI directly to their banks and did not realise that they had in fact engaged PPC to pursue redress claims on their behalf in return for payment of a fee.
- 4.7. PPC did not fully cooperate with the CMRU's investigation of its suspected misconduct. When the CMRU requested "full" copies of several of PPC's client files, PPC sent the CMRU copies of its files from which the first and fourth pages of the Claim Forms had been removed, without disclosing this fact to the CMRU. These omitted pages were

material to the CMRU's investigation.

- 4.8. The FOS Questionnaires reviewed by the CMRU which PPC had submitted to banks in support of clients' claims for redress for mis-sold PPI contained largely identical text in section E under the headings "this page is for you to tell us what happened" and "finally, tell us why you are now unhappy with the insurance". The CMR concluded that PPC had failed to present fully formed, accurate, detailed and specific complaints to banks through the FOS Questionnaires. The CMRU found no evidence within PPC's client files to indicate that clients agreed with all the text that PPC had inserted into the FOS Questionnaires which PPC submitted to banks on their behalf.

5. FAILINGS

- 5.1. The CMRU found that PPC had breached Client Specific Rules 1(c) and 2 and General Rule 2 of the CAPR.
- 5.2. Client Specific Rule 1(c) provided that a business shall ensure that all information given to the client is clear, transparent, fair and not misleading. The CMRU found that PPC breached this rule through (inter alia) its use of the misleading PPC Bank Websites and the misleading Claim Forms.
- 5.3. Client Specific Rule 2 provided that all advertising, marketing and other soliciting of business must conform to the relevant code, including the UK Code of Non-broadcast Advertising, Sales Promotion and Direct Marketing ("CAP Code"). Rule 2 deemed business' websites to be advertising and required them to comply with the CAP Code. Rule 3.1 of the CAP Code provided that marketing communications must not materially mislead or be likely to do so. PPC breached these rules through its use of the misleading PPC Bank Websites, as described above.
- 5.4. General Rule 2 provided that "a business shall conduct itself responsibly overall including, but not limited to, acting with professional diligence and carry out the following: ... b) Make representations to a third party that substantiate and evidence the basis of the claim, are specific to each claim and are not fraudulent, false or misleading". PPC breached this rule because the FOS Questionnaires which it submitted to banks contained allegations against banks which were not accurate, fully formed, detailed and specific.

6. SANCTION

- 6.1 The basis on which the CMRU imposed the £70,000 financial penalty on PPC is set out in the CMRU Notices which are reproduced in Annexes A and B to this Final Notice.
- 6.2 By virtue of article 53(2) of the 2018 Order, the CMRU's Penalty Notice is to be treated as a decision notice given by the Authority.
- 6.3 PPC has withdrawn its appeal to the FTT against the Penalty Notice.
- 6.4 The Authority hereby imposes on PPC a financial penalty in the sum of £70,000 pursuant to section 206 of the Act.

7. PROCEDURAL MATTERS

- 7.1 This Final Notice is given to PPC under and in accordance with section 390 of the Act.

Decision maker

- 7.2 The decision which gave rise to the obligation to give this Final Notice was made by the CMRU, but under article 53(2) of the 2018 Order the CMRU's Penalty Notice recording that decision is to be treated as a decision notice given by the Authority under section 208(1)(b) of the Act.

Manner and time for payment

- 7.3 The financial penalty must be paid in full by PPC to the Authority no later than 14 days from the date of this Final Notice.

If the financial penalty is not paid

- 7.4 If all or any of the financial penalty is outstanding after a period of 14 days from the date of this Final Notice, the Authority may recover the outstanding amount as a debt owed by PPC and due to the Authority.

Publicity

- 7.5 Sections 391(4), 391(6) and 391(7) of the Act apply to the publication of information

about the matter to which this Final Notice relates. Under those provisions, the Authority must publish such information about the matter to which this Final Notice relates as the Authority considers appropriate. The information may be published in such manner as the Authority considers appropriate. However, the Authority may not publish information if such publication would, in the opinion of the Authority, be unfair to you or prejudicial to the interests of consumers or detrimental to the stability of the UK financial system.

- 7.6 The Authority intends to publish such information about the matter to which the Final Notice relates as it considers appropriate.

Authority contacts

- 7.7 For more information concerning this matter generally, contact Matthew Hendin (direct line: 020 7066 0236) of the Enforcement and Market Oversight Division of the Authority.

Rob Gruppetta
Head of Claims Management Companies Department
Financial Conduct Authority

ANNEX A – CMR’S MINDED-TO LETTER WITH ITS ANNEXURES OMITTED



Ministry
of Justice

Professional Personal Claims Ltd
34 Clarence Street
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Essex
SS1 1BD

Claims Management Regulation Unit

57-60 High Street
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Staffordshire
DE14 1JS

T 0333 200 0110

F 01283 233335

E contactus@claimsregulation.gov.uk

www.gov.uk/moj/cmr

BY RECORDED DELIVERY AND EMAIL

Our Reference: FCT/24922/377390/NS

20 June 2017

Dear Sirs,

Proposed financial penalty

On 18 November 2016, we wrote to you to advise that you were subject to an investigation in accordance with Regulation 35 of the Compensation (Claims Management Services) Regulations 2006 (“the regulations”). Regulation 48(1) of the regulations (as amended by the Compensation (Claims Management Services) (Amendment) Regulations 2014) provides that the Regulator may impose a financial penalty on a business if a business fails to comply with the conditions of its authorisation. In accordance with Regulation 51(1) of the regulations, I am writing to inform you that I am minded to require you to pay a financial penalty of £103,000.

It is a condition of your authorisation that you comply with the Conduct of Authorised Persons Rules 2014 (“CAPR”). The reasons I consider this proposed action necessary are set out below.

Misleading marketing and client documentation

From October 2015 to March 2017, we have received 14 complaints from your clients, and financial institutions on behalf of their clients, who felt they had been misled by you due to the design and content of your websites, your documentation and envelopes, as well as your staff stating that they were calling from ‘Barclays PPI complaints’ department. A spreadsheet of complaints about you is attached detailing complaints that we have received and have consent to give to you, those which you have received and those where your client has contacted us both. As a result of our review into the complaints, your marketing, documentation and website content, we believe that you are misleading clients into believing they are dealing directly with their lender when instructing you to pursue their complaint.

You operate (or have operated) a number of websites containing the name of lenders, including the following;

www.barclays-ppi.co.uk

www.lloydstsb-ppi.co.uk

www.halifax-ppi.direct

www.rbs-ppi.direct

www.natwest-ppi.direct

Despite the design of these websites being changed over time, the content of your websites is misleading. You have used the corporate colours of the corresponding lender as well as other branding, trademarks and images of the financial institutions. You have not made it sufficiently clear that they are your websites and not those of a lender, as your details were not displayed prominently, appearing at the foot of the page in very small font. We note that you have now added your logo and business name to the top of each website.

We have identified that the initial documents sent to clients do not clearly identify you as the sender, instead the corresponding lenders name featured prominently on the claim form documentation. Only after your clients have returned the signed documentation do they receive paperwork that is clearly headed with your trading name of 'Professional Personal Claims'. We have reviewed your client files and it is not evident that the clients have always received a copy of the complaints or cancellation procedure with the claim pack or welcome letter. We also note that you did not include the front cover of the payment protection refund claim forms within the client files you provided.

By failing to clearly identify who you are and details of your service your clients have been misled into believing they are corresponding with their lender. This is supported by complaints subsequently made by your clients. Half of the 16 complaints you recorded between November 2015 and November 2016 related to clients telling you that they thought they were dealing directly with their lender. For example, in one complaint your client states that you had identified yourself as 'Barclays PPI Complaint Department' over the telephone, and in another another your client stated that the lenders logos appeared on the envelope they were provided with to return the claim form documentation.

You have failed to ensure your marketing and client paperwork is sufficiently clear in order to ensure that your clients were able to identify that they were corresponding with you and not with their lender. Your conduct puts you in breach of the following rules;

Client Specific Rule 1(c) – A business shall ensure that all information given to the client is clear, transparent, fair and not misleading; and

Client Specific Rule 2 – All advertising, marketing and other soliciting of business must conform to the relevant code:

- The UK Code of Non-broadcast Advertising, Sales Promotion and Direct Marketing (CAP Code)

For the purposes of this rule a business's website shall be deemed to constitute advertising and must comply with the CAP Code.

CAP Code Rule 3.1 states that 'Marketing communications must not materially mislead or be likely to do so'.

Template and inaccurate complaint letters

Of particular concern is a complaint we received from one of your clients in July 2016. Your client explained to us that you had submitted false information to the financial institutions about their claims and that when they challenged this they were told that they would not receive any money back if they did not follow along with the deception. We have also been told that you informed them that if they did not cooperate with this deception you would notify the financial institution that they were aware that false information had been provided.

We have also identified a number of concerns following our review of the client files that were provided during the course of our investigation. Looking at these files, it was evident that the content of the Financial Ombudsman Service PPI questionnaires submitted to lenders with the covering complaint letter contained very similar information across a number of complaints. Other content was extremely similar or identical in across a number of the files reviewed. For example the client testimony in Section E of the questionnaire where the first part of this section ('what happened') was extremely similar in all of the examples provided, and the second part of the section ('why are you unhappy') was identical in every example provided.

You are therefore either failing to obtain sufficient information in order to present a fully formed, detailed and specific complaint or you are not using this information provided by clients. As a result of failing to present detailed, individual and specific complaints to lenders, you are in breach of the following rule:

General Rule 2 – A business shall conduct itself responsibly overall including, but not limited to, acting with professional diligence and carry out the following:

b) Make representations to a third party that substantiate and evidence the basis of the claim, are specific to each claim and are not fraudulent, false or misleading.

In order to determine an appropriate penalty, I have taken into account the turnover figures you provided on 18 April 2017. You supplied details of your actual turnover to February 2017 and your forecast turnover to April 2017. We have used these figures, as well as considering the turnover you provided for your annual fee, to determine your relevant turnover for the calculation of your financial penalty. I have estimated your relevant turnover by using the following calculations:

You did not supply a monthly breakdown of your actual turnover, so I have calculated that for between March 2016 and February 2017 your average monthly turnover is £105,586.08. Your relevant turnover for the period between July 2016 and February 2017 has been estimated as £884,688.64. Using a daily average of £3,519.54 and multiplying it by 10, I have estimated that the relevant turnover for June 2016 is £35,195.40. You also stated that your forecast turnover for March and April 2017 would be £300,000. As the forecast turnover for May and June 2017 was not requested, I have used an average monthly turnover of £150,000 for your forecast turnover for March, April and May 2017. The estimated turnover to 20 June 2017 is £100,000, using a daily average of £5,000.

The nature and seriousness of the breaches overall has been assessed in accordance with the CMR Financial Penalties guidance scheme (please see appendix 2) and the proposed penalty has been determined as follows:

Nature Score: 2 (Escalated)
Total score: 6

Seriousness score: 4 (Medium)
Penalty Band: 5% - 8%

Estimated turnover from 21 June 2016 to 28 February 2017: £920,208.04

Forecast turnover from 1 March 2017 to 20 June 2017: £550,000

Total estimated relevant turnover: £1,470,208.04

Proposed Penalty Amount: £103,000

Number of payments: 1

Proposed date for payment: 28 days from the issue of a notice under Regulation 52

We have used the turnover figures that you supplied which included your forecast turnover. As such please now provide your actual turnover from 21 June 2016 to 20 June 2017. In addition, please provide evidence of your turnover in order for us to verify the figures that you have supplied.

You are invited to make written representations in relation to the proposed financial penalty and the issues outlined above. Please ensure that any representations you wish to make are submitted by 5 July 2017 to Nicola Skibicki, who can be contacted on 01283 881577 or n.skibicki@claimsregulation.gov.uk. I will consider any representations you make before reaching a final decision on this matter. If I do not receive a response by the deadline, it is likely that I will decide to impose a financial penalty as indicated above.

Yours faithfully

A solid red rectangular box used to redact the signature of Kevin Rousell.

Kevin Rousell
Head of Claims Management Regulation

ANNEX B – CMR'S PENALTY NOTICE



**Ministry
of Justice**

Professional Personal Claims Ltd
34 Clarence Street
SOUTHEND ON SEA
Essex
SS1 1BD

Claims Management Regulation Unit

57-60 High Street
Burton upon Trent
Staffordshire
DE14 1JS

T 0333 200 0110 (01283 233309)

F 01283 233335

E contactus@claimsregulation.gov.uk

www.gov.uk/moj/cmr

RECORDED DELIVERY AND EMAIL

Date: 5 December 2018

Our Reference: FCT/24922/377390/SS

Dear Sirs,

Claims Management Regulation – Financial penalty

I am writing in accordance with Regulation 52 of the Compensation (Claims Management Services) Regulations 2006 ("the regulations") (as amended by the Compensation (Claims Management Services) (Amendment) Regulations 2014) to notify you that I require you to pay a financial penalty of £70,000.

My colleague wrote to you on 20 June 2017 to inform you that he was minded to impose a financial penalty of £103,000 because of concerns that you had failed to comply with your conditions of authorisation. The letter explained how you had breached these conditions and explained the corresponding evidence of the failure to comply with them.

I have considered the representations made by your representative Short Richardson and Forth on your behalf, and the accompanying documentation dated 26 July 2017 as detailed below. It has taken some time to reach a conclusion, due to the number of months over which we have liaised with you regarding the turnover on which this penalty is based.

Misleading marketing and client documentation

You provided a detailed review of the 17 cases that were presented with our letter dated 20 June 2017. You believe your review indicates that none of these cases represent evidence that your websites, PPI claim forms, envelopes and other documentation have in any way misled your potential or existing clients. You provided statistics to show the percentage of clients who complained, against the number of visitors to your website and those that received documentation.

You suggest that a small minority of people may fail to read paperwork and forget they signed up with a CMC.

Furthermore you state “an extremely small minority of people that use the company's services, after receiving compensation, are prepared to make completely unsubstantiated allegations in an attempt to avoid paying fees”.

It is apparent from your responses to some cases, that you reasonably acknowledge the welcome letter and continued use of company stationary “eventually make clients aware” they are dealing with a CMC. Complaints that we have received from both clients and lenders state that your websites and client documentation, from the offset, are misleading. You have failed to provide sufficient evidence that consumers are not being misled by your websites and documentation. It is likely that the clients that complain of being misled are those that have been directly affected. Complaint numbers and statistics about visitors to your websites are therefore not comparable and do not reduce the seriousness of the issues identified within the complaints.

You stated that at the audit on 17 February 2016 you were only provided with advice on enhancing pre-contract information, removing lenders names from client's freepost envelopes and seeking independent legal advice regarding the use of lender's names within your domain names. However, the audit report sent to you on 23 March 2016 also highlighted that clients on your complaints log felt they had been misled and you were informed that your paperwork and websites appeared to be misleading, ambiguous and unclear. You were advised to ensure measures were put in place to remedy this and provide details to the Regulator of what you had done to do so.

In response to the audit report, in your letters dated 4 April 2016 and 16 May 2016, you explained the changes you had made to your websites, marketing material, terms & conditions and other customer care documents. You go on to specify that the contents of our email dated 1 August 2016 stated “I can confirm that the regulator is satisfied with your amendments. This now concludes the audit process and would like to thank you for your co-operation.” You stated it was therefore reasonable to assume your websites and documentation had been amended to our satisfaction and were no longer misleading clients.

Our approach through the audit process was to assess your compliance with the Conduct of Authorised Persons Rules and other relevant legislation. We highlighted that we were concerned that your practices could be misleading, and that the receipt of complaints identified that some of your clients had felt that they had been misled by your advertising and paperwork. Whilst we accept that the websites highlighted within this investigation (www.barclays-ppi.co.uk , www.lloydstsb-ppi.co.uk, www.halifax-ppi.direct, www.rbs-ppi.direct and www.natwest-ppi.direct) were not reviewed prior to the 17 February 2016 audit, it is your responsibility to ensure that the content of your advertising is not misleading.

Screenshots of the websites in question (apart from Halifax) were taken on 8 November 2016. The screenshots show photos of lender's frontages which you state in no way resembled those used by any lender's websites. You explain these photos were removed from your websites in December 2016, following the Notice of Investigation (dated 18 November 2016) being issued to you, to “enhance visitor experience”. You also state that all the web pages contain a large header “Professional Personal Claims” and display your corporate logo, but the large header was absent at the time the screenshots were captured.

To date, the websites www.lloydstsb-ppi.co.uk, www.halifax-ppi.direct, www.rbs-ppi.direct, and www.natwest-ppi.direct are live and the corporate colours of the lenders still remain. However, you have now removed the website www.barclays-ppi.co.uk following undertakings issued to you by Barclays' solicitors. This was after repeated requests by Barclays, over a 15 month period, to remove trademarks from your domains and web pages, including the use of Barclays name prominently placed on the PPI claims packs sent to clients.

You state you understand "that it is the role of the Advertising Standards Authority (ASA) to investigate potential breaches of the CAP Code" and you are unaware of any breaches or of any investigations the ASA are conducting into your company. Complying with the CAP Code and observing other laws and regulations relevant to your business are specific to the Conduct of Authorised Persons Rules 2014, regardless of whether the ASA have identified and conducted any investigations. Therefore as a result of your misleading websites, I am satisfied that you are in breach of the rules.

You stated the inclusion of the lender's name on your Payment Protection Refund Claim Form sent to clients is intended to emphasise that you specialise in dealing with that specific lender. This makes it easier for clients to progress claims as different departments deal with claims against different lenders. However, the use of your corporate logo directly above the lenders names prominently placed on the front of these forms gives the impression of a direct association between you and the lender.

As part of this investigation we requested, on two separate occasions, that you provide full client files for review. However, you decided to omit the front covers of these claim forms from client's files when providing copies to us. You state we did not request the front covers and considered they would not have been of use for the purpose of this investigation. It also became apparent after receiving your representations that the last pages of the forms were similarly omitted when providing copies to us. Some of these pages contained handwritten additional information provided by clients to support their PPI claim and therefore it is reasonable to have expected these pages to be provided as part of our request.

You state that all client files provided for the investigation contained evidence that clients were given advice or advice was made available about your cancellation procedure and complaints policy. However, the pre-audit documentation you provided prior to the 17 February 2016 audit, did not reflect the documentation that clients actually received, which later became evident when documents were reviewed for the purpose of this investigation. Four of the nine client files viewed during the investigation did not receive separate written cancellation or full complaints procedures with their welcome letters. This was further evidenced by the failure to mention the procedures within these welcome letters. Nevertheless, it seems that following the audit of 17 February 2016, you now include and make reference to both procedures within your welcome letter. I have taken this into consideration and adjusted the financial penalty accordingly.

Your representative also states "We understand it would be impossible for our client's employees to claim they were telephoning from Barclays or to accept telephone calls claiming they work for Barclays".

Yet you have indicated that when clients phone you to provide additional information, they are put through to the department dealing with that particular lender. The consumer complaints about the phone calls are concerning and you have failed to provide sufficient evidence that your telephone conversations with clients are not misleading. Additionally, complaints regarding the envelopes addressed to “[name of lender] PPI complaints department” are worrisome. However, I have taken into account that, when requested, you removed lenders names from your freepost envelopes and have adjusted the financial penalty to reflect this.

Template and inaccurate complaint letters

You stated Mrs [REDACTED] relayed information that took place over 16 years ago, therefore it is impossible for you to ensure her recollections are accurate. You explain that she discussed her mis-sold PPI claims with her lender some weeks later and recalled some information differently. You also provided a letter that was sent to the lender, Cheltenham and Gloucester.

The letter supplied does not prove that Mrs [REDACTED] recollected the information differently to you some weeks earlier. Furthermore, your business model does not allow clients to view the contents of the Financial Ombudsman Service (“FOS”) PPI questionnaire completed by you, before sending it to the lenders. There was no evidence within the client files you provided which indicated a client agreed with the contents. You were previously advised in the audit report of 23 March 2016 to ensure you accurately reflect a client’s case in the complaint letters submitted to lenders. You subsequently chose to claim that you do accurately reflect each client’s case, however this has not happened in Mrs [REDACTED]’s case.

You stated the Financial Conduct Authority, consumer organisations, the Government and lenders themselves have concluded that PPI was historically mis-sold due to extremely similar systematic failings in lenders sales procedures. Furthermore you state it is unsurprising that the contents of section E of some of the FOS PPI questionnaires you send to lenders are extremely similar. You stated you only use information obtained from clients to present complaints to lenders and therefore you have not breached General Rule 2.

The files that were reviewed for this investigation were found to have identical, rather than extremely similar, template comments in each section E of the FOS PPI consumer questionnaires. The only sentence that changed was if the advisor was male, female, unknown or their name was given; therefore we can only conclude that you continue to inaccurately reflect each client’s case. By using this template, you had also inaccurately reflected the circumstances relating to Mrs [REDACTED]’s claim.

Financial penalty scoring table

Most of the points you have raised regarding the financial penalty scoring table have been addressed within previous sections of this letter. Those points not already covered are below.

You state that advice given in the audit report of March 2014 was to implement quality control measures to ensure information was representative of a client’s circumstances on the consumer questionnaires.

You stated this was implemented and is continually used. However, you were not specific in detailing what measures you had implemented and you did not provide any evidence of this.

You also state that the audit report for 23 March 2016 provided advice to send the consumer questionnaires to clients for approval after a lender had rejected a PPI claim, but before submission to FOS. It is clear that the report did not provide this advice. Neither was this advice given in the letter of warning dated 29 February 2016.

You have stated that the investigation indicates between 0.05% and 0.09% of consumers have in any way objected to your documentation and websites and therefore further wide scale detriment is very minimal. You state that no client has suffered any financial loss, impact or risk from their dealings with you. However, as previously outlined in this letter you have used misleading content on your websites and in your documentation, which has the potential to cause further widescale detriment. Clients have suffered financial loss after being charged for your services when they thought they had applied directly to their lenders. Furthermore, clients have unsuspectingly divulged their personal details to a third party.

We have deemed you to be uncooperative throughout the investigation, although this has improved marginally more recently. You have hesitantly made some minor changes during the period of investigation, but you continue to defend your position that your websites and documentation do not mislead clients. You also disagree that your complaints to lenders are generic and non-specific. As a result I am unable to score the nature of the breaches lower than escalated (2) and the seriousness of the breaches remains at medium (4). However, due to the mitigating points I have outlined above and the amendment to your processes, I have reduced the level of the financial penalty from 7% to 6% to reflect this.

You have now confirmed your actual total turnover as £1,166,446.70 for the 12 months from 21 June 2016 to 20 June 2017, and this figure is the turnover which the financial penalty is to be determined on. As a consequence, I am requiring you to pay the following penalty in accordance with Regulations 52:

Amount of financial penalty: £70,000 (rounded)

Number of payments: 1

Proposed date for payment: 2 January 2019

The financial penalty must be paid by cheque, postal order or bankers draft made payable to the Ministry of Justice. If any part of the financial penalty is not paid by the required date and either you have not made an appeal under section 13 of the Compensation Act 2006 or it has been determined or withdrawn, the Regulator may enforce the full penalty or that part of the penalty as a debt due in accordance with Regulation 53. An announcement of the financial penalty will be published on the Claims Management Regulation website in accordance with our publication policy.

Should you wish to appeal my decision to impose a financial penalty, you can do so to the First-tier Tribunal (Claims Management Services). You must send the appeal notice to the Tribunal within 28 days of this letter.

The Tribunal's details are as follows:

The Tribunals Service
First-tier Tribunal (Claims Management Services)
General Regulatory Chamber
PO Box 9300
Leicester
LE1 6DJ

You can find further information about appeals to the Tribunal at
<https://www.gov.uk/courttribunals/first-tier-tribunal-general-regulatory-chamber>.

Yours faithfully,



Alison Wedge
Deputy Director
Claims Management Regulator