



what we've seen

→ how we've helped

data in more depth

www.financial-ombudsman.org.uk



pragmatism, not the new PPI

Steve Townsley
ombudsman leader

While it seems clear now that packaged bank accounts aren't the new PPI, we didn't always know how things would pan out. When claims managers first began to bring large number of complaints about these accounts, we knew we'd need to look closely at what was happening.

We found they were raising very similar issues to those they brought about PPI. Not only that, but just like in PPI, they gave us very little to go on. We often couldn't tell what really mattered to the consumer.

These problems needed to be addressed – and we didn't want misunderstandings to take root. So we ran a series of workshops for claims managers, including some in partnership with the Claims Management Regulator. We discussed the limitations on how far PPI and packaged bank accounts are comparable – and claims managers had the chance to work through real-life case studies, showing different sides of the story. And we also talked in detail with the banks involved – to make sure they understood our approach and could resolve as many complaints as possible themselves.

Since then, we've continued to ask claims managers to really think about the cases they're referring to us. Not because we don't want to help their customers – but because if people haven't actually lost out, then the whole process is just frustrating and disappointing for everyone involved. Most claims managers have now realised that packaged bank accounts are very different products to PPI. And they're thinking more carefully about whether a case has any real merit before complaining to the bank or to us.

In 2016/2017 volumes of packaged bank account complaints dropped by over a half – and we're expecting far fewer again next year. It's a really good example of where pragmatism pays off – meaning we can focus on helping people who've actually lost out.

