

Financial Ombudsman online PPI resource

the *consumer questionnaire* and the *business response form*: a practical guide

who will find this guide useful?

This guide may be useful to:

- consumers with a complaint about the sale of payment protection insurance (PPI)
- financial businesses handling PPI complaints
- consumer representatives (including claims-management companies).

Consumers may prefer to contact our [consumer helpline](#) on **SKYPE 0300 123 9 123 FREE** for guidance on the procedure for complaining about payment protection insurance (PPI).

what are the *consumer questionnaire* and the *business response form* for?

Following consultation with consumer groups and the financial services sector, the Financial Ombudsman Service has designed two standard documents to help the PPI complaints process. The aim is a more streamlined operation for dealing fairly and promptly with consumers' complaints about PPI.

who needs to complete these documents?

There are two documents:

the *consumer questionnaire*

Consumers need to complete this questionnaire if they want to complain about the sale of PPI *either* to the business they think is responsible *or* to the Financial Ombudsman Service.

The questionnaire asks the consumer for details about their circumstances at the time of the sale of the PPI – and for their recollections about what happened during the sale.

You can [download the *consumer questionnaire* in Word format](#) from our website.

the *business response form*

Businesses will need to complete this form if a consumer is dissatisfied with a business's response to their complaint – and decides to refer their case to the ombudsman service.

The form asks the business for details of the insurance policy and related issues. It also gives the business the opportunity to comment on the responses given by the consumer in their questionnaire.

You can [download the *business response form* in Word format](#) from our website.

when should the consumer complete the *consumer questionnaire*?

We will normally need a consumer to complete a questionnaire, before we can look at their PPI complaint. But when exactly this happens will depend on whether the consumer has already complained to the business or not.

where the consumer has *not yet* complained to the business ...

If the consumer contacts the Financial Ombudsman Service at this stage, we will:

- tell the consumer they need to register their complaint with the business first;
- explain the time the business has to investigate the complaint – this will generally be eight weeks, but the FSA has extended this time limit for some businesses because of the volumes of PPI complaints;
- give the consumer a *consumer questionnaire* and suggest they complete it and send it to the business, to help it investigate the complaint;
- suggest the consumer takes a photocopy of their completed questionnaire – to help if they later decide to refer their complaint formally to the ombudsman service.

We will write to the business and ask it to contact the consumer directly about their complaint – if it has not already done so.

where the consumer has *already* complained to the business and is now referring the dispute to the Financial Ombudsman Service ...

If the consumer contacts the Financial Ombudsman Service at this stage, we will:

- check if the business has had the appropriate time to resolve the complaint – and if it has sent the consumer its final response yet;
- ask the consumer if they have already completed a *consumer questionnaire*:
 - if **yes**, we will ask for a copy of it, along with a completed complaint form;
 - if **no**, we will send them a *consumer questionnaire* and ask them to complete it and return it to us, along with a completed complaint form.

Consumers may prefer to contact our consumer helpline on **skype 0300 123 9 123 FREE** for guidance on the procedure for complaining about payment protection insurance (PPI).

when should a business complete the *business response form*?

Businesses are required to complete the *business response form*, once we have told them that we have formally taken on a PPI complaint against them. We will ask a business to send us its completed *business response form* along with its file on the complaint.

You can download the *business response form* in Word format from our website.

what happens if a consumer does *not* fill in the questionnaire?

We generally expect consumers to have completed the *consumer questionnaire* before they refer their complaint to us. But we will take a practical approach to this. And we may take on a consumer's complaint *without* the questionnaire, if we believe there is good reason to do so in the particular circumstances of the case.

what happens if a consumer cannot answer all the questions?

We have tried hard to make the questionnaire as straightforward as possible. And consumers can help by giving as much information as they can.

This may mean it takes some time to complete the questionnaire. But it should also mean that all the key information is gathered in one place – so that the complaint can then be assessed more quickly.

If consumers cannot answer any particular questions, they should just mark this on the questionnaire, as appropriate.

We know that some consumers may find it difficult to express their recollections clearly in writing. If consumers face particular difficulties here, we are happy to phone them, to talk to them directly about their recollections of the sale of their PPI policy.

does the questionnaire mean no additional investigation will be needed?

No. We may still sometimes need to contact the consumer to ask additional questions – or to clarify answers they have given.

what happens if the consumer has appointed a representative to act on their behalf (eg a relative or a claims-management company)?

If the consumer has appointed a representative to support them in their complaint, the representative will want to help the consumer when they complete the *consumer questionnaire*.

But it is important that the consumer has the opportunity to tell us about their complaint in their own words. This will help the business and the ombudsman get a clear understanding of what the consumer's complaint is about.

General statements are less likely to be of help in getting to the bottom of an individual case than direct input from the consumer – in their own words – about what happened.

We have written to claims-management companies [[letter](#)] with more information about what they can do to help, when they refer PPI complaints to us.

The consumer must *always* sign the *consumer questionnaire* themselves – to show they have given their permission to someone else to complain on their behalf. The representative cannot sign the questionnaire on the consumer's behalf.

can businesses adopt the *consumer questionnaire* into their own complaints process?

Yes – we hope that businesses will do this. This should help make the complaints process much more streamlined and co-ordinated for everyone involved.

But the Financial Ombudsman Service owns the copyright of the *consumer questionnaire* – and it should not be altered in any way.

can the Financial Ombudsman Service give any help with the *consumer questionnaire* and the *business response form*?

Consumers may prefer to contact our [consumer helpline](#) on **skype 0300 123 9 123 FREE** for guidance on the procedure for complaining about payment protection insurance (PPI).

If you are a business with questions about the *business response form*, you can contact [our technical advice desk](#) for general queries. Or get in touch with our PPI casework team **skype 020 3222 9400 FREE**, if you have specific queries about a particular case that we are already handling.

can you explain more about what the *consumer questionnaire* is intended to do – and how the different sections work?

During the early part of 2010 we developed new standard complaint-documentation for PPI disputes – to encourage more efficient, co-ordinated and consistent complaints-handling processes across the financial services industry.

We introduced this documentation following consultation with industry and consumer stakeholders, who shared feedback with us based on their own experience and perspective.

The new complaint-documentation consists of two standard forms – a questionnaire to be completed by consumers when bringing a PPI complaint (either to a business or to the ombudsman service), and a form to be completed by businesses when a complaint is referred to us.

Each of these documents has been carefully designed to gather as many relevant facts and arguments as possible in one single process. This should lead to a more effective and streamlined operation for dealing with PPI complaints fairly and swiftly.

The *consumer questionnaire* does not cover every possible eventuality. And it does not replace the

need to ask the consumer additional questions, where appropriate.

section A of the *consumer questionnaire*

The first page of the *consumer questionnaire* gathers basic details about the consumer, as well as the details of any third-party representative. It also asks about the business that the consumer thinks is responsible for their complaint – and the policy number of the payment protection insurance policy complained about.

This section of the questionnaire is self explanatory. We have asked for the policy number on the front page, in response to feedback from financial businesses and consumer representatives who said this would help them identify the relevant customer file more quickly.

section B of the *consumer questionnaire*

This section is all about the insurance policy sold to the consumer. These questions gather factual information about some of the circumstances of the sale – such as how the policy was sold (*ie* the sales "channel"), when it was taken out, and whether it was a joint or single policy.

This information should normally be readily available to the consumer. But there could be cases where the consumer may be unsure (perhaps, for example, because they did not know they had the policy). In any event, businesses will want to check the consumer's recollections with their own records.

This section also gathers information that helps assess the merits of the dispute – and how any redress might be calculated, if the complaint is upheld.

For example, if a claim has been made on the policy, this will need to be taken into account – although making a successful claim in the past does not automatically mean that the policy *cannot* have been mis-sold. However, in these particular circumstances it is likely that the amount of benefit paid under the claim would be taken into consideration in assessing any redress, if we concluded that the policy was mis-sold (and that the consumer would not otherwise have gone ahead with the insurance).

The questionnaire also asks about the current situation on the PPI policy – in other words, whether it is still in place. This may help some businesses locate the relevant records. It will also be relevant in considering the appropriate redress, if a complaint is upheld.

Whether a policy has been cancelled – and the reasons for this – can be relevant in considering the impact of some of the policy's features. The fact that a policy has been cancelled will not necessarily mean that this was the consumer's intention when the policy was sold. But it can be a helpful indicator.

Similarly, the fact that a policy has been held to the end of the term will not necessarily mean that the possibility of cancelling was not a consideration for the consumer at the time of the sale. But this would be taken into account in assessing the relevance of the cancellation terms at the point of sale.

A question is included in this section on whether advice or a recommendation was given. This can be useful to gain insight into whether the consumer *received advice* or not. Some businesses had processes that were designed *not* to provide any advice or recommendations about whether to take out a policy. But we sometimes see examples of staff "straying" into giving advice, where this may not have been the business's intention.

Whether the consumer recalls thinking they were being recommended the policy will be a part of this assessment. However, we would, of course, take into account any other available evidence, in deciding whether it seems likely that advice or a recommendation was given.

Even if advice was given – where this was not the intention – this will not automatically mean that the consumer has been misled about the features of the policy. We will need to assess what impact this had on the consumer's decision – and whether they have lost out as a result.

We also ask in this section how the policy premium was paid for. In our experience, this is an area of confusion for many consumers – with many thinking they were paying a *monthly premium* when in fact they had paid a *single premium* added upfront to the loan.

So businesses will want to check the consumer's understanding here against their own records. The consumer's perspective may help in assessing whether the position was adequately explained.

section C of the consumer questionnaire

This section gathers details about the reasons for the loan or credit that the PPI policy complained about covered.

The details from the consumer's answers in this section will help give a better picture of the circumstances surrounding the sale of the policy. The reason for the loan or credit is particularly helpful in understanding the individual circumstances of the consumer – and the likely impact on them of particular features of the PPI policy.

Typically, the reason for the loan or credit will also be the reason why the consumer first entered into discussion with the financial business that sold the PPI policy. So the circumstances surrounding the loan or credit will normally be part of the information that the financial business will have had available, when it considered any recommendation and/or the relevant information to draw to the consumer's attention.

Details of whether a consumer has ever gone into arrears or had difficulties in making repayments can help in understanding the overall circumstances of the consumer and the sale. They will also help to identify any potential affordability issues – as well as helping to assess the appropriate redress, if the complaint is upheld.

section D of the consumer questionnaire

This section collects some further details about the consumer's circumstances at the time of the sale – in particular, their employment details. This is helpful information in assessing whether the consumer is likely to have wanted and needed the cover.

Where our investigation reveals that the policy has not been fully explained, these details add to the overall picture in establishing what difference a proper explanation is likely to have made to the consumer's decision to take out the policy. Where advice was given, these details help assess whether the policy was likely to have been suitable.

For example, where a consumer had good workplace sickness and redundancy benefits, and a stable employment situation, this is likely to add weight to the view that the consumer may not have wanted or needed the PPI cover. However, if the consumer did not have particularly good workplace benefits or other means of meeting repayments, it is more likely that they would have considered the PPI cover to be helpful.

If a consumer was self-employed, this will need to be considered in terms of the impact it may have on the consumer's need for cover. We will also need to consider whether the policy was suitable for the consumer (if the sale was advised).

In a "non advised" sale of a policy, we will have to assess whether the terms of cover for self-employed people were brought to the attention of the consumer – to enable them to make an informed choice. The more restrictive the terms are, the greater the emphasis the business should have put on highlighting these terms. If the term was not sufficiently highlighted, the greater the likelihood that the consumer would not have gone ahead if properly informed.

Similarly, if a consumer had some sort of medical condition at the time of the sale, this will be relevant in assessing the consumer's likely need and desire for cover. It will also give rise to the need to consider whether any "pre-existing condition" exclusions were adequately highlighted.

section E of the *consumer questionnaire*

The final part of the questionnaire gives the consumer the opportunity to provide some "free text" explanation of their recollections of the sale. It can give us very helpful and important evidence if the consumer sets out, in their own words, what they remember happening.

In other complaint forms – such as the mortgage endowment questionnaire – we regularly see examples of claims-management companies completing the "free text" section on behalf of consumers, using a set of standard claims and general comments. This is unhelpful and has little "evidential weight" in our assessment of an individual case.

So it is important that this section is used to gather the consumer's *actual* individual recollections. Standard or generic statements in this section will be taken into account – but they are likely to be less persuasive than direct testimony from the consumer.

The list of points above the first box gives some indicators of the sorts of things that the consumer may want to cover, in providing their thoughts and recollections of the sale.

We know that some consumers may find it difficult to express their recollections clearly in writing. If consumers face particular difficulties here, we are happy to phone them, to talk to them directly about their recollections of the sale of their PPI policy.

The final question on the *consumer questionnaire* asks the consumer why they are now unhappy with the insurance. Again, direct consumer testimony from the consumer on this point – in their own words – will be the most useful information.