

AT LAST – MY BANK MIGHT ACTUALLY OWE ME MONEY!



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Between 2007 and 2011, more than 340,000 payment protection insurance policies were sold in Ireland, many of which were mis-sold.

Payment Protection Insurance, otherwise known as PPI was an optional insurance which was to repay your borrowings in the event of an accident, illness, loss of income or death. Most of you would have signed up to these policies with your bank at the same time you signed for your loan.

PPI was not compulsory when securing credit. Under the terms of the Consumer Protection Code, PPI should only have been sold to consumers who requested it and who would have benefited from it. In many cases however, it was sold to consumers who could never possibly benefit from it. There were many reasons for this. Some of which were that policies sold did not cover pre-existing medical conditions, the sold policy did not cover the full term of the credit agreement or the policy was sold to self employed customers who could never claim off it. In some cases, the policy was sold as compulsory instead of optional. And in some more serious cases, the policy was added to the credit agreement without the customer's knowledge.

As a result, PPI has low payout rates. It is estimated that banks and lenders earned revenues of over €400m per annum which might explain why the banks were determined to sell so many of these policies.

There is currently an industry-wide review of sales of PPI sold to customers from 1st July 2007 to 30th June 2012. The purpose of the review is to ensure that all sales of PPI were conducted in accordance with rules set out by The Central Bank of Ireland. Even if you have since cancelled your policy but purchased it during the said period, then you shall still be part of this review. The Central Bank have put in place a third party to oversee these reviews. About 13,000 customers who bought the insurance should have already received letters from their banks advising them that a review of their policy will be taking place. If you know that you were sold PPI but did not receive this letter, then you should contact your bank immediately.

Principal: Jacquelyn E. Dunne B.A.



Ten banks are currently undertaking reviews of their PPI sales since 2007. They are; Bank of Ireland, Allied Irish Banks, EBS, GE Money, Permanent TSB, Ulster Bank, Bank of Scotland (Ireland), Danske, RaboDirect and KBC Bank.

Experts believe there will be a huge number of PPI claims coming into the courts in the coming months as people who bought the insurance join class actions against the institutions.

If it can be shown that you were mis-sold PPI, then the full amount you paid to the bank for this insurance together with compensation interest shall be repaid in full to you. The repayments seem to vary from around €2,000 to €4,000.

If you have any queries regarding mis-sold PPI, feel free to contact Jacquelyn Dunne on 086 1617418.

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