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My daily train journeys reflect two sides of life. In the morning, a non-stop Virgin train, usually arriving early and at night a slower Silverlink train that stops at a few stations and is rarely “on time”.

And so it is with PPI. As simple as the gliding “Pendolino”, the OFT gracefully delivered the runaway train into the arms of the Competition Commission who will now decide the extent of the issues and how they will be resolved.

Against which we still have the FSA hopping into their next phase of work and becoming increasingly tense as they find that companies have not reached the FSA destination. Too many firms still not advising on PPI appropriately.

However we may now be in a much more dangerous place.

- The OFT referral may slow industry initiatives, as product providers wait for the outcome of the Competition Commission (CC) inquiry to avoid unnecessary costs, should they adopt inappropriate solutions.
- The OFT remains concerned about the credit provider delivering the PPI solution and the lack of consumer “shopping around”.

Solving these issues will provide a complex conundrum for the CC as most solutions could potentially reduce product take-up and increase the UK protection gap. With the FSA proposing new rules on PPI via ICOB, it will be interesting to see the CC working against the backdrop of a changing sales environment during its study. The industry will need our regulators to work in partnership to deliver coordinated change that is effective for consumers and suppliers.

But the FSA will not wait for the CC to report to ensure its findings are taking hold. So Lenders, Insurers and Brokers will all be firmly in the change spotlight throughout 2007. The FSA plan more visits than ever before.

**So what place for a trade body?**

A trade association **can** set the agenda and present solutions to the regulators – even on PPI. If it is left to commercial bodies, they will present their vested interest – which will be transparent. With a series of vested commercial interests, it is too easy for any regulator to spot the gaps and divide and conquer. Only with a strong and healthy trade body, developing solutions that all the industry can support and with the muscle to present these effectively to government, regulators and the media, can influence be exerted.

On PPI we need you to fuel the AFB with membership, build a strong Board in the up-coming elections, fire it with financial help and your support, point it on the right track with ideas and commitment and signal the right commitment to change. Only with this will we have an industry that can represent itself to the FSA, OFT and Competition Commission and evolve effectively and profitably.

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