



What people say about Momenta

"Momenta has worked with us on a number of occasions. The combination of their in-depth market knowledge, understanding of the regulatory system and their sensitivity to the commercial realities of a business generates a rounded, high quality output."

Quality assurance

Momenta has obtained ISO9001 accreditation for our quality assurance process and procedures for, "The supply of specialist consultancy services to the financial industry". Our robust QA process ensures that the contract professionals deployed meet our clients' requirements.

ISO9001:2000



Payment Protection Insurance

PPI. Are you ready for change?

Three significant events have occurred within the PPI industry since July of this year (2009):

- The Competition Commission's draft Order
- The FSA's Consultation Paper: CP09/23
- Agreed measures relating to Premium Variation Clauses on MPPI contracts

Looking forward, there will be significant changes in the way that PPI is marketed, sold and regulated.

- Prohibition on selling PPI at the point of sale of credit*
- Provision of a personal quotation to the customer
- Changes to the content of marketing material
- Annual PPI statements to be issued to customers
- Commission of independent mystery shopping
- Requirement to provide compliance reports

Looking back, there is a significant retrospective challenge for businesses:

- New guidance on the review of PPI complaints (excluding MPPI)
- Requirement to review all rejected PPI complaints (excluding MPPI) since 14th January 2005 within 12 months of the Order being made
- Changes to redress which includes (where appropriate) a restructuring of the loan as if the PPI had not been sold
- Review of policy variation and cancellation clauses on MPPI contracts
- Freeze premiums and cover for existing MPPI customers for at least the remainder of this year
- Proactively refund increases in premiums, and reverse reductions in cover, for MPPI customers who have experienced changes to their policy in 2009
- Reinstate policies where a customer had cancelled their MPPI within two months of an increase in premium or reduction in cover made during 2009

* This may now change after the Competition Appeal Tribunal decided to uphold Barclays' appeal against this point on 16/10/2009

Do any of these issues affect your organisation?
If so, Momenta can be of help!



PPI. What do Momenta offer?

Advisory

Momenta can work with you to interpret the new requirements and understand their impact on your products, processes and procedures

Marketing Materials

Our outsourced Financial Promotions Studio can provide an independent review of your sales literature in line with the clarity of marketing material requirement

Training

Momenta has significant experience in the design and delivery of training in Sales Regulation. We are also experts in training assessment and validation of learning

Mystery Shopping

Momenta's outsourced Mystery Shopping service will supply you with a thorough and independent assessment of your selling practices

Resourcing

Momenta can supply you with people to help with any contract review or retrospective complaint handling project

Case Studies

UK Bank 1:

Momenta supplied teams of people to review cases referred to FOS. Over a period of more than two years the quality of the team's work and output surpassed expectations.

UK Bank 2:

Momenta was initially engaged to supply a small team on a specific project. However, as a result of the success of this piece of work, the assignment has significantly broadened to a team of almost 50 people, dealing with a broad range of complaints for the client.

UK Life Company:

Momenta supplied a team to reduce the backlog of new business checks for the client. The project was completed ahead of schedule as a result the team's productivity and high quality of work completed.

Our Proposition

Whatever the requirement, our clients have access to:-

Scale: we can supply one person, or one hundred people!

Agility: we will work with you to understand your precise requirements and respond quickly

Competence: our associate bank is subject to rigorous quality control to ensure our clients are provided with quality people quickly

Management: we will set in place a transparent reporting process so that you know at any time where we are against milestones

Range: we can supply people to deal with simple and complex cases, throughout the UK and the Republic of Ireland

Personal touch: you will have a dedicated relationship manager to work with you to ensure the success of any project

Value: our competitive pricing takes into account the number of people required and their skills

Our Expertise

In 2008, Momenta provided over 23,000 person days of case review support to our clients.



Payment Protection Insurance

The following questions posed by the FSA around PPI provide a ready reckoner as to the extent of the review and root cause remedial action required.

| Item | Shortfalls identified by the FSA | Applicable? |
|--------------------------|--|--|
| Sales Process | <ul style="list-style-type: none"> • Pressured the customer into taking a PPI contract? • Assumed the customer would want the PPI contract from the outset (e.g. automatically including in a loan quotation)? • Led the customer to believe that the PPI contract had to be taken out in order to obtain the loan or other goods or services? • Made a sale without the customers' explicit agreement to purchase PPI? • Did not provide required FSA documents (e.g. statement of demands and needs)? | <input type="checkbox"/> <input type="checkbox"/> |
| Disclosure | <ul style="list-style-type: none"> • Did not disclose that the PPI was optional? • Did not disclose that the contract was an insurance policy? • Inform the customer that they could cancel the policy without penalty within the cooling-off period? • Where there was direct contact with the customer, these items were not disclosed orally? | <input type="checkbox"/> <input type="checkbox"/> |
| Non Advised Sales | <ul style="list-style-type: none"> • Failed to make it clear that it was only providing information? • Gave advice or expressed an opinion on the merits of the policy? | <input type="checkbox"/> <input type="checkbox"/> |
| Eligibility | <ul style="list-style-type: none"> • Did not check eligibility for the product? • Failed to explain significant exclusions and limitations? • Sold policies where the customer was not eligible for one or more parts and failed to explain this? | <input type="checkbox"/> <input type="checkbox"/> |
| Suitability | <ul style="list-style-type: none"> • Did not establish current cover or means of protecting the loan? • Did not check any pre-existing medical conditions that might be excluded under the policy? • Did not check affordability? • Did not ensure that policy met all the relevant factors, such as level of cover, cost excesses etc? • Did not disclose if any of their demands and needs would not be met and did not explain this to the customer orally? | <input type="checkbox"/> <input type="checkbox"/> |
| Price disclosure | <ul style="list-style-type: none"> • Did not disclose total cost of the policy? • Did not disclose the period over which the quoted premium was valid (for annual policies with renewable premiums)? | <input type="checkbox"/> <input type="checkbox"/> |

About Momenta



Momenta provide quality resource, consulting expertise and people development for financial services companies in the UK.

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We work with you to ensure that you can meet today's challenges so as to achieve tomorrow's success.

To find out more about our service delivery capability, please contact Lee Davies on: **020 7374 6600**

