

NON-CONFIDENTIAL VERSION

4 June 2010

GENWORTH FINANCIAL
COMPETITION COMMISSION MARKET INVESTIGATION INTO
PAYMENT PROTECTION INSURANCE
RESPONSE TO PUBLICATION OF
PROVISIONAL DECISION REPORT ON 14 MAY 2010

GENWORTH FINANCIAL
COMPETITION COMMISSION MARKET INVESTIGATION INTO
PAYMENT PROTECTION INSURANCE
RESPONSE TO PUBLICATION OF
PROVISIONAL DECISION REPORT ON 14 MAY 2010

1 INTRODUCTION

- 1.1 We refer to the publication of the provisional decision report on 14 May 2010 (the “Revised Provisional Report”) in relation to the remittal of the point-of-sale (“POS”) prohibition remedy (the “Remittal”) in connection with the Market Investigation by the Competition Commission (the “Commission”) into the supply of Payment Protection Insurance services (“PPI”) in the UK. The Remittal followed the quashing order dated 26 November 2009 of the Competition Appeal Tribunal (“CAT”).
- 1.2 This response is made on behalf of Genworth Financial (“Genworth”) and sets out Genworth’s comments on certain issues raised by, or discussed in, the Revised Provisional Report. Genworth would be happy to elaborate on any of the comments made in this document.
- 1.3 Further, Genworth has made a number of previous submissions to the Commission on the substance of certain issues raised in the Commission’s final report dated 29 January 2009 (the “2009 Report”)¹ and the Revised Provisional Report. In this document, Genworth would like to make only those further comments and raise issues for clarification as set out in section 3. Moreover, Genworth reserves its right to provide further comments at any stage of the Commission’s inquiry and in particular when a revised draft of the order to implement the remedies in this case (the “Order”) is published (or otherwise made available) by the Commission for consultation (whether as part of the statutory procedure or otherwise).

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2.1 [...]

¹ See for example Genworth’s response of 4 December 2008 to the Commission’s Decision on Remedies dated 13 November 2008, and Genworth’s response of 31 July 2009 to the Commission’s public consultation on the draft Order dated 8 July 2009.

3 COMMENTS ON THE TIMING OF IMPLEMENTATION OF REMEDIES

- 3.1 We note that in the 2009 Report, the Commission decided (following receipt of submissions from market participants) that:
- (a) the provision of information in marketing material and the provision of information to third parties should be implemented within six months of the commencement of the Order implementing the remedies; and
 - (b) the elements of the remedies package encompassing the point-of-sale prohibition, the personal PPI quote, single-premium prohibition, annual statement and unbundling retail PPI from merchandise cover should be implemented within 12 months of the commencement of the Order.²
- 3.2 Genworth supports this approach. This staggered implementation was driven by the reasonable recognition that the package of remedies included a range of obligations and changes to existing procedures and processes of market participants, which would take time and care to implement properly. In particular, while the Commission found that the provision of both information in marketing material and the provision of information to third parties were largely dictated by publishing schedules for printed media, many of the market participants explained that most of the elements of the remedies package would involve changes to interrelated IT systems, which themselves would be part of wider corporate IT development programmes and plans.³ For example, Genworth anticipates having to undertake an extensive implementation of expensive new IT systems to support any point-of-sale changes, as well as any changes to the wider PPI distribution chain, that our customers decide to make in response to the final remedies package. [...]
- 3.3 Further, given the commercial and legal uncertainty as a result of Barclays Bank PLC's challenge in March 2009 before the CAT of material aspects of the remedies package set out in the 2009 Report, Genworth (and, we understand, in common with other market participants) had undertaken only a limited degree of preparation ahead of the CAT ruling on this challenge. Without seeing what form the final Order implementing the final remedy package would actually take, we did not (and still do not) know, for example, to what extent our questions and comments on the draft Order were addressed by the Commission.⁴ We believed, and continue to believe, this approach reasonable given the real risk of incurring wasted costs before understanding the full detail of the final remedy package as set out in the final Order. Moreover, we made this decision in the absence of any interim guidance from the Commission on what preparation, if any, market participants should have been taking ahead of (or, indeed, since) the CAT ruling. The Commission will also be aware that the FSA has been engaging with market participants in a number of significant reviews relating to the PPI sector, in particular in relation to variation and cancellation terms of Mortgage Payment Protection Insurance products and a possible review of past PPI complaints. If the FSA requires a review of PPI complaints this will create a significant resource strain on firms which will impact the

² See the 2009 Report, paragraph 10.521.

³ See the 2009 Report, paragraph 10.519.

⁴ These were raised in Genworth's response of 14 May 2009 to the Commission's informal consultation on the draft order dated 27 April 2009 (attached as Annex A to this document) and Genworth's response of 31 July 2009 to the Commission's public consultation on the draft order dated 8 July 2009 (attached as Annex B to this document).

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resources available to implement any remedies package. We would urge the Commission to discuss the timing of the implementation of the PPI remedy package with the FSA before reaching a final conclusion as it is vital that there is regulatory co-ordination. Firms will need a reasonable period of time to implement the PPI remedy package and any actions required by the FSA if each are to be effective and beneficial to consumers.

- 3.4 Therefore, in all the circumstances, we believe it is important that the full timetable for implementing the PPI remedy package (set out in paragraph 3.1) is followed.
- 3.5 Also, in the 2009 Report, the Commission explained that insofar as possible, it would aim to make use of the 6 April and 1 October commencement dates preferred by the UK government for introducing new legislation and regulations so as to minimise burdens on business.⁵ In the Revised Provisional Report the Commission concluded that it expects all elements of the remedy package to be implemented in the second half of 2011.⁶
- 3.6 If the Order commenced on 1 October 2010, this target could be met while still allowing for the full six month or 12 month implementation periods referred to in paragraph 3.1 – and which Genworth considers to be the minimum necessary (paragraph 3.2).
- 3.7 If, however, it does not prove practical to commence the Order on 1 October 2010 (in view of the consultation which will be necessary and appropriate) and it commences at a later date (whether 1 April 2011 or otherwise), then, in Genworth's view, it would not be appropriate to artificially foreshorten the implementation periods. Until the final detailed form of the Order is known, Genworth and other market participants clearly cannot make the arrangements necessary to implement the remedies package in full (for the reasons explained in paragraphs 3.2 and 3.3).

SJ Berwin LLP
4 June 2010

⁵ See the 2009 Report, paragraph 10.522.

⁶ See the Revised Provisional Report, paragraph 9.93.

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ANNEX A

GENWORTH FINANCIAL

**COMPETITION COMMISSION MARKET INVESTIGATION INTO
PAYMENT PROTECTION INSURANCE**

**RESPONSE TO INFORMAL CONSULTATION ON
DRAFT ORDER DATED 27 APRIL 2009**

GENWORTH FINANCIAL
COMPETITION COMMISSION MARKET INVESTIGATION INTO
PAYMENT PROTECTION INSURANCE
RESPONSE TO INFORMAL CONSULTATION ON
DRAFT ORDER DATED 27 APRIL 2009

1 INTRODUCTION

- 1.1 We refer to the informal consultation dated 27 April 2009 on the draft of the Order (the "Draft Order") and Explanatory Note in relation to the Market Investigation by the Competition Commission (the "Commission") into the supply of Payment Protection Insurance services in the UK. This response is made on behalf of Genworth Financial ("Genworth") and sets out Genworth's initial comments.
- 1.2 Genworth has made a number of previous submissions to the Commission on the substance of the Draft Order.⁷ At present, Genworth would like to make certain further comments and raise issues for clarification as set out in section 3 below. In addition, Genworth reserves its right to provide further comments on the remedies at any stage of the Commission's inquiry and in particular when a later draft of the Order is published by the Commission for formal consultation.
- 1.3 Genworth would be happy to elaborate on any of the comments made in this response or respond to any other questions that the Commission may have. In particular, Genworth would welcome an opportunity to meet with appropriate officials of the Commission to discuss the Draft Order.

2 [...]

2.1 [...]

⁷ See for example Genworth's response of 4th December 2008 to the Competition Commission's Provisional Decision on Remedies dated 13th November 2008.

3 COMMENTS ON THE DRAFT ORDER

3.1 We set out below Genworth's comments on the Draft Order.

Comment number	Reference in the published Draft Order	Comment
1.	Annual Premium, Article 2.1	<p>What do the words "which is not the total cost payable as one amount" mean? Should this be replaced by "which is not a Single Premium"?</p> <p>Does this definition allow for a one year PPI product whose Premium is payable on commencement? (presumably not)</p>
2.	Claims Ratio, Article 2.1	<p>The Commission should seek guidance from a number of Insurers as to whether this definition is workable as it appears to be inconsistent with more usual industry terminology. For example, it is more usual to refer to "claims incurred" (rather than "payable"): i.e. the cost of claims paid and anticipated cost of future claims payments/reserves.</p> <p>Insurance Premium Tax should be excluded.</p>
3.	Independent Research Agency, Article 2.1	<p>Has the Commission confirmed that there are a number of existing organisations that satisfy the requirements of this definition as it would be undesirable if there were only a very limited number of existing agencies that satisfied this requirement. Also what does "legally independent" mean? For example, would it exclude an agency that had done work in the past for a PPI provider or prevent the agency doing work for a PPI Provider in the future?</p>
4.	Payment Protection Insurance, Article 2.1	<p>There is no reference here to life cover, so what are the implications for any PPI product that incorporates life cover?</p>
5.	PPI Provider, Article 2.1	<p>It is unclear in the Draft Order whether this includes Insurers and/or Underwriters. If this definition does include Insurers/Underwriters then the obligations of PPI Providers in the Draft Order will need to be reviewed as Insurers/Underwriters will be unable to meet some of the obligations, such as in relation to the obligation to provide certain information in Marketing Materials under Article 3 of the Draft Order. We expect that Distributors will typically control the content and use of Marketing Materials.</p>
6.	Stand Alone PPI,	<p>What is the significance of including here PPI sold by a</p>

	Article 2.1	Credit Arranger “6 months or more” after the sale of the Credit product? Why has the figure of 6 months been chosen? Should this rather reflect the term of the Prohibition Period?
7.	Article 3.4	This should begin “Subject to paragraph 3.5.....”.
8.	Article 3.6	Should be renumbered as Article 3.5.
9.	Article 3.7	Should be renumbered as Article 3.6. Will the Commission be requiring a specific chronological order for delivery of the Prescribed Statement and Additional Statement? “Additional Statement” should be defined under section 2.1 (“Interpretation”).
10.	Article 3.8	Should be renumbered as Article 3.7. The Commission needs to provide further guidance on what it expects in terms of “prominence”. For example, is a minimum font size expected?
11.	Article 4.1	If this obligation applies to Insurers then it is unclear how Insurers will be able to satisfy the information requirements especially the credit details needed to be included under Schedules 3a to 3d. In each of the forms in Schedule 3 the statement relating to the calculation of the monthly costs should be clarified so that the penultimate line reads: “you will get £100 paid out to you each month <u>in the event of a successful claim</u> ” (additional words underlined and in bold). Genworth continues to advocate that the Annual Statements should include appropriate wording highlighting the benefits of Payment Protection Insurance and the risks of not having PPI cover in place.
12.	Article 4.2	Will it be necessary to send Annual Statements to Policyholders who have cancelled during the previous 12 month period?
13.	Article 4.3	Figure 10.7 of the Commission’s Final Report (page 256) stated clearly that “Provision of this statement will be the responsibility of the company which sold the PPI policy to the consumer (i.e. the distributor or the stand-alone provider), other than for sales made by intermediaries where provision of this statement will be the responsibility of the underwriter (or distributor or standalone provider) with which the consumer has an ongoing relationship”. It is possible that a number of parties may have an “ongoing relationship” with the Policyholder, in which case

		<p>who is the party responsible for providing the Annual Statement? For example, an Intermediary may be selling PPI linked to a particular loan. It is interesting to note that Clause 34 of the Explanatory Note suggests that where a PPI Policy has been sold by an Intermediary the obligation to send a statement generally falls on the "Insurer or Underwriter". The potential inconsistency between Article 4.3 of the Draft Order and Clause 34 of the Explanatory Note should be clarified.</p> <p>Another approach would be to place the obligation on the party under whose brand the policy was sold.</p> <p>Why does Article 4.3 limit the form of Annual Statement to be used to the one contained in Schedule 3e when this statement only is designed for stand alone policies? An intermediary may be selling PPI linked to a particular loan.</p>
14.	Article 4.8(b)	<p>In Genworth's view it is not practical to require that firms must provide statements for all policies within 2 months. First, the resulting customer enquiries will create excessive pressure on call centres which is likely to have a negative impact on claims management (particularly in the light of the significant increase in claims queries in the last 6 months or so). Secondly, customers would naturally expect such statements on the anniversary of their agreements. In Genworth's view the 2 month period should be extended to 12 months.</p>
15.	Article 5.1	<p>The Commission needs to work with the FSA to provide greater clarity on what will be required, the frequency of reporting and which party will be required to provide it to ensure that duplication of reporting is avoided. For example, if currently, Distributors provide information to the FSA, then this process should continue.</p>
16.	Article 5.2	<p>The Commission needs to work with the OFT to provide greater clarity on what will be required, the frequency of reporting and which party will be required to provide it to ensure that duplication of reporting is avoided. For example, it seems clear that Insurers would not be able to provide information about Distributor Penetration Rates.</p> <p>The Commission needs to clarify that the threshold requirements in Schedule 5a have to be met every year to trigger the reporting requirements in Article 5.2 on an on-going basis. We assume that the reporting obligation does not continue indefinitely simply as a result of satisfying the thresholds in 2007.</p> <p>Please clarify why this obligation applies to 2007 and not 2008?</p>

		<p>The terms “relevant year” in paragraph 2 of Schedule 5(a) should be clarified. Should para 2 in Schedule 5(a) refer to Article 5.2?</p> <p>Schedule 5(a) uses the expression “achieved” rather than “sold” or “underwritten”. The Commission needs to clarify what this means as it not a term typically used by market participants.</p>
17.	Article 6.1	<p>Clarity is required on which party is obliged to provide this and whether any information about the quality and level of cover available under the underlying policies can be provided. Genworth is concerned that it could be potentially misleading for a consumer if it only received Claims Ratio information in isolation from information about the underlying products.</p> <p>Genworth believes that the obligation to provide the Claims Ratio should be on the party under whose brand the PPI product is sold. This is particularly important where there are several Underwriters for a particular ‘compound’ PPI product (e.g. where one underwriter provides the life cover and another provides the accident, sickness and unemployment cover). This would normally (but not necessarily) be the Distributor.</p> <p>The Claims Ratio should be provided separately for each product line within a PPI Product Type (e.g. a Distributor may have several products providing CCPPI or an Underwriter could have different products sold through different Distributors).</p> <p>Please clarify whether the aggregate Claims Ratios need to be published on its website even if the PPI Provider receives no request from an enquirer.</p>
18.	Article 7.4	<p>Schedule 4(e), which is to be used for Stand Alone products, refers to not being able to take out a policy at the same time as Credit (paragraph at the bottom of Schedule 4(e)). This is not relevant for stand alone products and should be deleted.</p> <p>If purchasing stand alone products via the internet, will it be necessary to provide Consumers with ‘other information’ in addition to the policy statement to satisfy the requirement “Before we are allowed to sell you PPI we will need to tell you about its key features.....” included in Schedule 4e? What ‘other information’ (if any) does the Commission envisage ought to be provided in addition to the ‘key features’ information as prescribed by the FSA rules?</p>
19.	Article 7.6	<p>What does “dispatch” mean in the context of purchasing</p>

		<p>on the internet as this suggests sending a copy rather than just offering the Consumer the opportunity to print and/or see the quote on line? It would seem clearer to refer to “one hour after the electronic communication is sent as shown on the email system used”.</p> <p>Does “two working days” mean “two clear working days”? Many statutes (e.g. the Consumer Credit Appeal Tribunal Rules 2008/668) refer to the “second working day after it was posted”.</p>
20.	Article 8.1	<p>Greater clarity is required on what “reasonable” means in this context and whether awareness of the intended Credit application is limited to awareness of purchase of Credit with that Credit Provider or any purchase of Credit with any provider.</p>
21.	Article 9.1	<p>Does this prohibition apply to “hybrid store cards”? Please clarify.</p> <p>Does this prohibition apply to PPI products that are provided at no cost to the Consumer as arguably in these circumstances, there would be no “sale”? In fact, generally, where the consumer is not paying for a PPI product, can the PPI product be said to have been ‘sold’?</p>
22.	Article 9.2 (b)	<p>The Consumer should also be able to initiate the transaction by contacting an Associate of the Credit Arranger and not just the Credit Arranger</p>
23.	Article 9.2(c)	<p>What form does Consumer confirmation need to take (written, verbal, signed?)</p> <p>Please amend “...receives confirmation from the Consumer that the Consumer has received ...” to read “...receives confirmation from the Consumer <u>directly or indirectly</u> that the consumer has received ...” since the person who intends to sell the PPI may receive the confirmation of consumer receipt via a third party such as an Underwriter, Distributor or an Intermediary.</p>
24.	Article 9.2(d)	<p>Guidance should be published on the form of verification that the OFT and FSA will expect.</p>
25.	Article 9.3	<p>The Commission needs to expressly clarify whether debt cancellation/suspension products are included in this provision. Clause 50 of the Explanatory Note suggests that they are caught by the provision but there is no express reference.</p> <p>If debt cancellation/suspension products are intended to be subject to the prohibition, then do the other terms of the Draft Order also apply to these products?</p>

26.	Article 9.4	Does this extend to embedded PPI policies that are provided at a nil cost to Consumers?
27.	Article 10.4	Please clarify that, as there may be existing Annual Premium policies that do not incorporate pro rata refund rules, it will be possible to rely on the existing refund rules in these policies where the policy holder terminates a PPI policy before the date on which paragraph 10 takes effect (expected to be 1/10/2010).
28.	Article 11.1	Will separate personal quotes be required for each of the “package of insurance which contains PPI” and the “PPI alone”?
29.	Article 12.1	<p>The Commission needs to clarify that the threshold requirements in Schedule 5a have to be met every year to trigger the reporting requirements in Article 12 on an on-going basis. We assume that the reporting obligation does not continue indefinitely simply as a result of satisfying the thresholds in 2007. Article 12.2 suggests that this is the case but absolute clarity would be desirable.</p> <p>When will this Compliance Report be required? 31st December each year?</p> <p>If underwriters are required to produce these reports then there will be a number of information categories that they should not be expected to provide as they will be unable to do so, for example, second paragraph a and paragraphs c, d and e?</p>
30.	Article 12.2	Should the reference in schedule 5(a) now be to 2008 rather than 2007? The meaning of “the relevant year” in schedule 5(a) para 2 and “the preceding financial year” in para 12-2 should be clarified.
31.	Article 12.4	<p>What does “confirmed” mean? Does the third party need to have conducted an audit of the material? What level of assurance is required?</p> <p>What personal liabilities will non-executive directors be assuming by signing these compliance reports?</p>
32.	Article 12.6	<p>Further clarity on the definition is required as it is unclear how one proves the expertise of the independent party especially as these are new reports.</p> <p>Will the independent parties need FSA or OFT authorisation?</p> <p>If a party has worked for the provider in the past or does other work for the provider, will they be treated as legally independent?</p>

		Will that Independent Party then be prohibited from working in future with that PPI Provider? If so, how long should this prohibition last?
33.	Article 13.1	<p>Who is this obligation intended to apply to? In particular, does it apply to underwriters?</p> <p>As above when will the Compliance Report have to be given to the OFT? 31st December each year?</p> <p>Will mystery shopping be required for stand alone products as Schedule 5c refers to The Independent Research Agency applying for PPI <u>from the Credit Arranger?</u> (emphasis added).</p> <p>How can one verified non compliant mystery shop be statistically significant and justify non compliance as contemplated in schedule 5c?</p>
34.	Article 14.1	<p>Again, when must this report be provided to the OFT? 31st December each year?</p> <p>The Commission needs to provide further guidance on what “easy for Consumers to understand” means and how it will be assessed.</p> <p>What criteria would an Independent Research Agency apply and would they differ between different groups of Consumers?</p> <p>The Commission should consider whether this test could be satisfied by certification from the Plain English campaign.</p>
35.	Article 15.1	What qualifications will the Compliance Officer need and will he/she need to be an Approved Person under the FSA regime? Would any personal sanction be levied if this person failed to deliver the report or where the report was found to be deficient?

SJ Berwin LLP
14 May 2009

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ANNEX B

**GENWORTH FINANCIAL
COMPETITION COMMISSION MARKET INVESTIGATION INTO
PAYMENT PROTECTION INSURANCE
RESPONSE TO PUBLIC CONSULTATION ON
DRAFT ORDER DATED 8 JULY 2009**

GENWORTH FINANCIAL
COMPETITION COMMISSION MARKET INVESTIGATION INTO
PAYMENT PROTECTION INSURANCE
RESPONSE TO PUBLIC CONSULTATION ON
DRAFT ORDER DATED 8 JULY 2009

1 INTRODUCTION

- 1.1 We refer to the informal consultation dated 27 April 2009 on the draft of the Order (the “Draft Order”) and Explanatory Note in relation to the Market Investigation by the Competition Commission (the “Commission”) into the supply of Payment Protection Insurance services in the UK. This has now been followed by the public consultation dated 8 July 2009 on the revised draft of the Order (the “Revised Draft Order”) and revised draft Explanatory Note in relation to the above-mentioned Market Investigation. This response is made on behalf of Genworth Financial (“Genworth”) and sets out Genworth’s initial comments on the Revised Draft Order.
- 1.2 Genworth has made a number of previous submissions to the Commission on the substance of the Revised Draft Order.⁸ At present, Genworth would like to make certain further comments and raise issues for clarification as set out in section 2 below. In addition, Genworth reserves its right to provide further comments on the remedies at any stage of the Commission’s inquiry and in particular on any later draft of the Order published by the Commission for informal or public consultation.
- 1.3 Genworth would be glad to elaborate on any of the comments made in this response or respond to any other questions that the Commission may have. In particular, Genworth would welcome an opportunity to meet with appropriate officials of the Commission to discuss the Revised Draft Order.

2 COMMENTS ON THE REVISED DRAFT ORDER

- 2.1 We set out below Genworth’s comments on the Revised Draft Order.

No.	Reference in the Revised Draft Order	Comment on the Revised Draft Order
36.	Payment Protection Insurance, Article 2.1	There is no reference here to life cover, so what are the implications for any PPI product that incorporates life cover?
37.	PPI Provider, Article 2.1	For the avoidance of doubt, “...includes a Distributor...” should be clarified to read “...includes <u>only</u> a Distributor...”.
38.	Article 4.1	Genworth continues to advocate that the Annual Reviews should include appropriate wording highlighting the benefits of Payment Protection Insurance and the risks of not having PPI cover in place.

⁸ See for example Genworth’s response of 4th December 2008 to the Competition Commission’s Provisional Decision on Remedies dated 13th November 2008.

39.	Article 4.6 (and Clause 42 of the revised Explanatory Note)	<p>It is possible that a number of parties may have an “ongoing relationship” with the Policyholder. For the avoidance of doubt, please clarify that “ongoing relationship with the Policyholder” refers only to this relationship in respect of PPI.</p> <p>Why does Article 4.6 limit the form of Annual Statement to be used to the one contained in Schedule 3e when this statement is only designed for stand alone policies? An intermediary may, for example, be selling PPI linked to a particular loan.</p>
40.	Articles 6.1 and 6.3	<p>There seems to be scope for a timing conflict between the demands of Articles 6.1 and 6.3 of the Revised Draft Order, for example, when trying to satisfy under Article 6.3 a request that is made before the Claims Ratios have been produced by the PPI Provider pursuant to the timetable set out in Article 6.1. Please clarify.</p>
41.	Article 7.4(a)	<p>Does “second day” mean “second working day”?</p>
42.	Article 9.1	<p>Does this prohibition apply to PPI products that are provided at no cost to the Consumer as arguably in these circumstances, there would be no “sale”? In fact, generally, where the Consumer is not paying for a PPI product, can the PPI product be said to have been ‘sold’? Although the definition of Associate has now been revised to include Commercial Referral Relationship for the sale of PPI, the definition of Commercial Referral Relationship describes “a Consumer <u>purchasing</u> PPI”.</p>
43.	Article 9.2(c)	<p>Please amend “...receives confirmation from the Consumer that the Consumer has received ...” to read “...receives confirmation from the Consumer directly or indirectly that the Consumer has received ...” since the person who intends to sell the PPI may receive the confirmation of Consumer receipt via a third party.</p> <p>Also, .please clarify the apparent difference between Article 9.2(c) of the Revised Draft Order (“...and the person who intends to sell the PPI receives confirmation <u>from</u> the Consumer...” and Clause 59 of the revised draft Explanatory Note, which sets out “The party selling the PPI must have received confirmation <u>that</u> the Consumer has received the quote before the agreement is concluded</p>
44.	Article 9.2(d)	<p>Guidance should be published on the form of verification that the OFT and FSA will expect.</p>
45.	Article 9.3	<p>The Commission needs to expressly clarify whether debt cancellation/suspension products are included in this provision. Clause 61 of the Explanatory Note suggests that they are caught by the provision but there is no express reference.</p> <p>If debt cancellation/suspension products are intended to be subject to the prohibition, then do the other terms of the Revised Draft Order also apply to these products, for example, those obligations relating to reporting obligations?</p>

46.	Article 11.1	Will separate personal quotes be required for each of the “package of insurance which contains PPI” and the “PPI alone”?
47.	Article 13.1	Will mystery shopping be required for stand alone products as Schedule 5c refers to The Independent Market Research Agency applying for PPI <u>from the Credit Arranger?</u> (emphasis added). How can one verified non-compliant mystery shop be statistically significant and justify non compliance as contemplated in Schedule 5c?
48.	Article 14.2	What criteria would an Independent Market Research Agency apply and would they differ between different groups of Consumers?
49.	Article 15.2	Would any personal sanction be levied if this person failed to deliver the report or where the report was found to be deficient?

Genworth Financial

31 July 2009