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TESCO Personal Finance

4 June 2009

The Inquiry Secretary (PPI Market Inquiry)
Competition Commission
Victoria House
LONDON
WC1B 4AD

Dear Mr Sir/Madam

Competition Commission Inquiry in to the Sale of Payment Protection Insurance

We write to you in relation to your recently updated proposal to prohibit consumers purchasing payment protection insurance ('PPI') from their credit provider within the 'cooling off' period.

Whilst we generally agree with the approach being proposed by you, we are still of the opinion that as regards PPI being sold via the internet channel, the prohibition on consumers purchasing PPI from their credit provider within 24 hours substantially restricts consumer choice beyond what is needed to achieve a competitive outcome.

As you will appreciate, consumers transacting online have easy and immediate access to tools to shop around and compare products (ability to refer to price-comparison and other providers' websites) *during* the sales process. Coupled with this, there is no question of any disproportionate sales pressure being placed on the consumers applying online as the choice to purchase PPI is entirely left to the consumer. Consequently, we believe that there is no customer benefit by enforcing the 24 hours 'cooling off' period for this channel.

Yours faithfully

David McCreddie
Commercial Director Banking

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