

Lenders Still Deliberately Blocking PPI claims, Says PPI Reclaims Company Simple Financial Solutions

Tens of thousands of people trying to get their PPI claims dealt with were almost certainly deliberately stopped by lenders, says PPI Reclaims Company Simple Financial Solutions.

February 8, 2012 (FPRC) -- It has long been suspected that many lenders deliberately slowed down the process to put off victims from pursuing their claim, but now even after the outcome of the judicial review, the Financial Ombudsman Service (FOS) claims some banks are still taking a 'less cooperative stance in progressing PPI Claims cases', adding further to delays.

In October 2010 the British Banker's Association started court action against the FOS and Financial Services Authority (FSA) on behalf of UK banks, claiming that the FOS was unfairly settling PPI claim disputes. From that point on lenders slowed down and some even completely stopped progressing any further PPI claims until the results of the court case were known.

In January 2011 a leaked letter from one major high street bank to a PPI claims firm showed it was deliberately – and illegally - withholding vital information required to progress the claim saying "...we do not intend to make representations in respect of this complaint at the present time. The standards against which this complaint should be assessed are currently subject to legal proceedings. We would strongly urge you not to consider and determine this complaint at this time."

Finally in April 2011 the verdict was published, and a new set of rules were governing the sale of PPI Claims was announced, however the massive backlog of claims doesn't show any sign of being progressed by lenders.

A spokesperson for PPI Reclaims Company Simple Financial Solutions, says: "To be honest no-one was holding their breath that the outcome of the judicial review would get the process started again. The lenders have been hiding behind the court case and using it as an excuse for months and now it has gone they are coming up with all sorts of wild and wonderful statements to claimants to continue with their blocking tactics."

"We've heard that some PPI claims victims are now being told by lenders that the FOS are only investigating cases that occurred between certain years, or that it will take months to progress their claims due to the backlog. Any excuse they can come up with are being trotted out to make victims feel that pursuing their Mis Sold PPI is simply not worth their while."

"In the meantime, bonus time has rolled around and the bankers have awarded themselves nice big payouts again – this time with money that should have gone to victims of PPI mis-selling as refunds and compensation."

But it's not just the claimants who are experiencing problems as a result of the lenders blocking tactics. The FOS itself is having funding problems as a direct result. Over 80% of the FOS's revenue comes from payments made on a case-by case basis from companies when disputes are settled. However, with tens of thousands of cases on hold, over half of the FOS's workload is now tied up

with PPI claims cases, effectively putting a stranglehold on the Ombudsman's funds.

"It's incredible to think that a handful of few lenders can create such problems for the UK consumer can do the same for the organisations that are there to try and protect them from unethical and often illegal profiteering," concluded the spokesperson.

Contact Information

For more information contact Dave Baddeley of PPI Claims
(http://www.writeoffloan.com/payment_protection_insurance/mis_sold_ppi.asp)
0800 043 2027

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