

CMA letters to Aviva's distributor partners about their non-compliance with the Payment Protection Insurance Market Investigation Order 2011

1. Letter to Clydesdale Bank (National Australia Group)
2. Letter to Coventry Building Society
3. Letter to Danske Bank
4. Letter to Leeds Building Society
5. Letter to Norwich & Peterborough Building Society

To: Mr G Fletcher
Head of Regulatory Management
Clydesdale Bank (National Australia Group)

From: Alistair Thompson,
Director of Remedies, Business
and Financial Analysis

Date: 24 January 2017

Dear Mr Fletcher,

Payment Protection Insurance Market Investigation Order 2011

We are writing to you regarding an issue reported by Aviva relating to Article 4 of the Payment Protection Insurance Market Investigation Order 2011 and the obligation to provide Annual Reviews to all PPI customers.

Aviva identified an error in PPI customers' Annual Reviews in 'the amount paid in the previous 12 months' where there was a change to the price paid by the customer during that period caused by a system error. This resulted in customers receiving inaccurate Annual Reviews. Aviva reported that actual PPI premiums were charged correctly.

The issue affected customers of Aviva's distributor partners: Cheltenham & Gloucester, Coventry Building Society, Danske Bank, Leeds Building Society, National Australia Group and Norwich & Peterborough Building Society.

We note that Aviva either sends Annual Reviews on behalf of distributor partners or provides data to distributor partners as a third party data provider.

We consider this to be a serious breach which could have potentially harmed customers' interests, for example by causing them to make inappropriate decisions about whether to retain PPI protection or switch to another provider. Customers should receive accurate information as to the amount paid on PPI in Annual Reviews. Aviva has agreed to take the necessary action to ensure that in future it complies with the Order.

Aviva's remedial action and apology letters to affected customers

Aviva reported that on 13 November 2016 it fixed the IT issue giving rise to the incorrect data and that affected customers have received an apology letter from Aviva. The letters were sent to customers between 21 November 2016 and 11 January 2017. The apology letter explained the error, and either enclosed a copy of the Annual Review or offered a corrected historical Annual Review on request.

We expect Aviva and its distributor partners to inform the CMA of any future compliance issues that may arise and to do so as soon as any such issue is identified.

Publishing this letter from the CMA to Aviva's distributor partner on GOV.UK

This letter will be published by the CMA on GOV.UK. The date of publication will be Wednesday 25 January 2017.

Yours sincerely

Alistair Thompson

Director

Remedies, Business and Financial Analysis

Alistair.Thompson@cma.gsi.gov.uk

To: Mr M Parsons
Chief Executive
Coventry Building Society

From: Alistair Thompson,
Director of Remedies, Business
and Financial Analysis

Date: 24 January 2017

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Yours sincerely

Alistair Thompson
Director
Remedies, Business and Financial Analysis
Alistair.Thompson@cma.gsi.gov.uk

To: Mr N Tomb
Product & Pricing Manager
Business Development
Danske Bank

From: Alistair Thompson,
Director of Remedies, Business
and Financial Analysis

Date: 24 January 2017

Dear Mr Tomb,

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Yours sincerely

Alistair Thompson
Director
Remedies, Business and Financial Analysis
Alistair.Thompson@cma.gsi.gov.uk

To: Ms K Tong
Head of Compliance
Leeds Building Society

From: Alistair Thompson,
Director of Remedies, Business
and Financial Analysis

Date: 24 January 2017

Dear Ms Tong,

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Yours sincerely

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Director
Remedies, Business and Financial Analysis
Alistair.Thompson@cma.gsi.gov.uk

To: Mr T Simpson
Head of Compliance & Oversight Risk
Norwich & Peterborough Building Society

From: Alistair Thompson,
Director of Remedies, Business
and Financial Analysis

Date: 24 January 2017

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