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An Individual Guide to PPI Claims by [Cullen Nedrich](#)

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Payment protection insurance, or PPI as it is more commonly known, has been sold by many financial companies and is added to a loan, credit card or a mortgage. The purpose of this insurance is to cover the borrower for not being able to meet the monthly credit commitments, whether through sickness, redundancy or death. In this way, the PPI would cover the borrower for the minimum payments on the debt, typically up to 12 months. PPI from the major British lenders ranged from around 16% up to 25% of the loan and it was even higher at some other financial companies.

PPI claims, also known as a loan protection policy, serve as backups to a person's inability to meet mortgage payments or other debts. These debts are typically in the form of loans or overdrafts. Getting a PPI is not wrong. The misselling of PPI is. Misselling of the PPI happens when loan companies do not follow the guidelines when selling PPI to potential borrowers. Some unethical sales people force their borrowers to purchase overly priced policies, telling them that this is required so they would be eligible for loans. Others were not informed of policy restrictions and the penalty charges for failed or delayed loan payments.

The best way to avoid these situations is to make sure you have valid PPI claims. Once you have confirmed this, gather all necessary documents and begin the filing process with the bank or the lender. It is important to carefully read and understand policy exclusions and clauses to avoid cancellation of your claims. You can also check the cost of the cover and determine if you still need some more quotes. If you are not comfortable with the policy cost or if it were added to the loan without your consent, it is best to just cancel the agreement. More importantly, verify if the policy is appropriate for your situation.

The factor that is likely to have the greatest impact on your choice of company is the projected fees for processing a claim. Although only a small number of companies demand up-front payment, some expect a larger cut upon the successful negotiation of compensation than others. It is best avoiding those dubious companies that refuse to provide a thorough outline of their rates to potential customers.

The missold Payment Protection Insurance (PPI) scandal has been well documented in the press, but many people may not realise that they too are affected by it. In addition to many consumers being told that buying PPI was vital for credit agreements to go through, a large number of individuals did not even realise that they were buying an insurance product when they took out a loan. In addition, for this group of customers, checking statements and agreements could unveil thousands of possible compensation.

Over a few drinks the other night, as a change from the highs and low's of the World Cup, a colleague and I got chatting about the PPI market. A number of things were discussed such as how big the actual market was in terms of people who were mis-sold ppi. There are countless estimates but no-one actually knows the exact figure. We then discussed what the average claim was in terms of the value of the policy and it's generally accepted that the figure is around £2,000. This means there are a lot of policies that are less than this but there are also a substantial amount of claims that are a lot more.

Not all PPI is mis-sold; for many it is a valuable form of insurance which can help protect their loan repayments in unfortunate circumstances. But the mis-selling of PPI was an unethical scandal which affected millions, resulting in lenders being ordered in 2011 to repay billions of pounds. How was

PPI missold? The mis-selling of PPI mainly occurred over the past two decades, although some claims are made on PPI sold before the 1990s.

It was attached to a £100k loan and the PPI attached to this was 5,000. When one considers that this insurance only lasts for 5 years that's a massive £5000 a year just for the insurance and with interest considerably more! Somewhat taken aback my colleague asked if it was a successful claim. I had to say yes and no, due to the fact that the Ombudsman had ruled in favour but the company decided to call it a day and go into administration. The case is ongoing and is with the FSCS so there will be one very happy client when the mess is sorted out.

So, what is the biggest mis-sold PPI policy ever? I suppose like the size of the PPI market no one truly knows for sure. I have heard of a case that was around £35,000 and another that was £50,000 although I think the latter could have been exaggerated. However if anyone has been missold this insurance whether it was £1,000 or £50,000 they should do their utmost to claim this back.

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