

## OFT COMMENTS 7 AUGUST 2009

### **Some comments on the draft Annual Review and PPI Quote - which read across to some/all of the forms -**

#### Schedule 3a

The two sentences after the first grey box should be reversed. Otherwise the consumer may think that 'this form' means the policy summary. Add 'carefully' - ie "You should check this form carefully to make sure.... Further details of cover...."

In the 'credit' section, not sure why there is a box on 'Type of credit' or what is supposed to go here. It is clear from the heading that it relates to a 'Personal Loan'. In any event, there is not much space to include a description of the credit. Ditto Schedule 3b.

The box on 'Instalments' should be larger. At the very least it should be capable of including eg "£15.99 per month" - and in some cases instalments may vary, or there may be a larger instalment at the start or end of the agreement.

#### Schedule 4a

The statement "This quote is valid for x days" should be more prominent - possibly by including it at the bottom of the form after 'the date of quote'.

In the reference to 'combined APR', suggest 'on an annual basis' rather than 'over a period'.

In the 'credit' section, suggest "Start date (if known)". It is unlikely to be at this stage, if the quote is being provided during the credit sale period. I agree however that it may be relevant if the credit agreement has been concluded, or has an agreed start date, and the consumer is shopping around for PPI.

See above re 'Instalments'.

In Schedule 4c, suggest "Credit limit (actual or illustrative)". It is still unclear whether BIS will legislate to require an indication of the actual credit limit in the agreement which the consumer signs - currently creditors can say merely that it will be determined and notified subsequently (with the card), although we don't think CCD permits this going forward (and have told BIS so). But in any event, the quote may be provided before the credit agreement is handed to the consumer for signature, ie at the pre-contract stage, and CCD requires representative information then if the actual credit limit is unknown.