

The Inquiry Secretary  
PPI Market Investigation  
Competition Commission  
Victoria House  
Southampton Row  
London  
WC1B 4AD

6<sup>th</sup> August 2009

Dear Sirs

**Payment Protection Insurance Market Investigation Order 2009  
Consultation on Draft Order**

I write further to the Commission's News Release dated 8<sup>th</sup> July 2009, which solicited comments on the above draft order.

We are a provider of outsourced contact centre services to a number of clients, including several in the financial services sector. For certain of those clients, the services that we provide include the arrangement of payment protection insurance policies in connection with fixed term or running account credit products purchased by their customers.

To facilitate the provision of such services, and in line with our interpretation of the relevant legislation, we are authorised by the Financial Services Authority to advise on and arrange non-investment insurance contracts. However, because we deal with such transactions only on behalf of our clients, rather than on our own account, we fall within the definition of "third party processor" for the purposes of the Authority's Handbook and other guidance.

As a result, and provided that the Authority's other requirements in relation to third party processors are complied with, we are not obliged to disclose our status to consumers in relation to the transactions that it arranges. In practice, that means that we deal with consumers as and in the name of the relevant client and does not have any direct relationship, contractual or otherwise, with consumers.

The obligations set out in the draft order fall mainly on "PPI Providers", which as defined includes any "Intermediary". The latter term is defined in terms that would include third party processors, and on that basis we believe that the order would encompass this organisation in its capacity as a service provider in the manner described in the foregoing paragraphs of this letter.

I note that certain provisions of the draft order, such as section 4.6, allow for the fulfilment of the relevant obligations by the provider that is responsible for the maintenance of the ongoing insurance contract. However, that position is not replicated elsewhere and certain provisions, such as section 6, would therefore appear to fall equally on all PPI Providers involved in the initial transaction.

We believe that this multiple responsibility would be confusing for consumers, and that it would lead to unnecessary costs being incurred by third party processors. We also submit that the requirements set out by the Financial Services Authority in relation to the obligations of third party processors and their principals are sufficient to ensure that the conduct of the former is consistent with regulatory requirements that fall on the latter.

In view of the foregoing, it is our view that the definitions of "PPI Provider" and "Intermediary" should be amended to expressly exclude third party processors from the scope of the order.

I have no objection to the publication of this response, but would be grateful if you would do so on an anonymous basis.

Yours faithfully

**Compliance Manager**