

Conduct of the CC investigation

1. The purpose of this appendix is to provide a more detailed explanation of the conduct of the PPI market investigation up to the publication of provisional findings.
2. Following the referral of the PPI market investigation to the CC by the OFT on 7 February 2007 we published an Issues Statement on 12 April 2007. Between 12 April 2007 and publication of our Emerging Thinking on 6 November 2007 we conducted site visits with 11 suppliers of PPI (both underwriters and distributors) and hearings with 27 interested parties. Following the publication of Emerging Thinking we held a further ten hearings with main and interested parties to the investigation.
3. During the course of the investigation we received more than 100 submissions from the main parties, including main submissions, responses to Emerging Thinking and detailed comments on various working papers we published. We also received numerous submissions from third parties, including trade associations.
4. The evidence and information we received in submissions from main and third parties and during hearings with the parties was supplemented by large volumes of information and data that was submitted to us in response to a number of questionnaires which we sent out. These included the primary market and financial questionnaire which was sent out in the early stages of the investigation, as well as various supplementary questionnaires covering issues such as the sale of PPI by intermediaries and the role the provision of credit products plays with regard to the supply of PPI. Using all of this information, evidence and data we were able to compile a dataset of the providers and underwriters of PPI, which covered variables

such as price changes in PPI, sales volumes of PPI, characteristics of PPI products and types of PPI products and the credit which they insured.

5. To facilitate the contribution of main and third parties we published our views on a range of issues relevant to the investigation at various stages. Our intention was to assist the parties in understanding our concerns and our position at different stages of the investigation, to encourage submissions and discussion and to aid transparency generally.
6. Our Emerging Thinking document was published on 6 November 2007 along with nine working papers on the following topics:
 - PPI and its alternatives;
 - the value chain;
 - PPI and regulation;
 - downstream market definition (including Appendix A: Evidence for market definition; and Appendix B: Assessment of the parties' sales data);
 - vertical integration;
 - the underwriting market;
 - features of PPI for different credit products;
 - characteristics of consumers of PPI; and
 - PPI policies—characteristics.
7. After 6 November 2007, in the lead-up to the publication of our provisional findings, we published a further 9 working papers on the following topics:
 - the profitability of PPI;
 - entry and expansion;
 - price dispersion;
 - benefits and barriers to search;

- the role of intermediaries in the sale of PPI;
- the use of price comparison websites;
- switching;
- switching costs for single premium policies; and
- evidence on the extent of PPI search.

8. We would like to thank all those who have assisted us in our investigation so far.

9. A copy of this provisional findings report has been placed on the CC website.