

Barclays Bank plc

From: Alistair Thompson
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Barclays Bank plc's breach of the Payment Protection Insurance Market Investigation Order 2011

I am writing to you on behalf of the Competition and Markets Authority (CMA) regarding Barclays Bank plc's (Barclays) breach of the [Payment Protection Insurance Market Investigation Order 2011](#) (the Order).

Article 4 of the Order requires PPI providers to send an Annual Review of a customer's policy to them on an annual basis.

The breach

Barclays failed to send Annual Reviews to up to 1,306 of its former Mortgage Payment Protection Insurance (MPPI) policyholders between 2014 and 2017. In many cases these customers held both a mortgage and a MPPI policy with Barclays, had moved house/changed mortgage provider, and notified Barclays (as their mortgage or banking provider) of their new address. Barclays failed to pass the new address onto the business unit tasked with sending out the Annual Reviews in respect of the MPPI policy, which these customers continued to hold with Barclays. These Annual Reviews were therefore sent to the customers' old addresses, with the effect that these customers then stopped receiving Annual Reviews in subsequent years.

Barclays sold the book of MPPI policyholders in March 2017, but only discovered this historic breach in late 2021.

Barclays notified the CMA of the breach on 8 October 2021 and completed its analysis of which customers were affected on 30 September 2022.

The CMA's concerns

The provision of Annual Reviews is an important element of our remedy following the [Market Investigation](#). This measure, in combination with other parts of our remedy, was designed to ensure policyholders received information about their Payment

Protection Insurance (PPI) policies, and to prompt them to consider the suitability of their policies on an annual basis. Because Barclays failed to do this, affected customers may have continued paying for MPPI after it ceased to be suitable for their needs.

The CMA is concerned both by the fact that this breach was ongoing between 2014-2017 and that it was only discovered in 2021.

Barclays is taking action to put things right

I note Barclays is taking the following steps to remediate the affected policyholders. Barclays will:

- Write to all affected policyholders, informing each policyholder of Barclays' failure to send an Annual Review(s);
- Provide an up-to-date Annual Review statement, to cover the period between the date of the letter and the 12 months preceding it;
- Offer all affected customers a gesture of goodwill payment;
- Offer the vast majority of affected customers the opportunity to submit a claim for a full refund of premiums from the date of the first missed Annual Review.

We note that the total remediation package could reach £1m.

CMA's assessment and next steps

Given the action being taken by Barclays to remediate the affected policyholders, and as Barclays is no longer the PPI Provider of the MPPI book of policyholders affected, the CMA does not consider it necessary to take further formal enforcement action in relation to this breach. However, we are recording it on the CMA's register of breaches and publishing this letter to register our concern. The CMA will monitor Barclays' future compliance closely.

The public version of this letter has been copied to the Financial Conduct Authority.

Yours sincerely

Alistair Thompson
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