

**Directions to Santander Issued Under the Payment Protection Insurance Market Investigation Order 2011
Action Plan**

Ref.	Date	Santander Action
3.2	Ongoing basis	<p>a) Maintain existing control mechanisms, manual checks and automatic controls and the enhanced level control report: this annual control report provides information on the reason why any Annual Reviews are not produced; and</p> <p>b) Maintain the targeted checking of the control report: this targeted checking will be completed for each Annual Review cycle, and ensure that there is a valid reason for any Annual Reviews which are not sent to customers.</p>
3.3	31 December 2019	<p>Santander will appoint an Independent Body to carry out Assurance Audits of the procedures, processes and outcomes which constitute compliance with the Order, and submit to the CMA a report produced by that Independent Body of those procedures, processes and outcomes. The initial independent Assurance Audit report will be submitted at the same time as the PPI Annual Compliance Report. Subsequent reports must also be submitted to the CMA annually at the same time as the PPI Annual Compliance Report. The scope of the Assurance Audit will include:</p> <p style="padding-left: 40px;">(a) the policies, practices and procedures (including those related to training) which Santander has in place to secure compliance with the Order</p> <p style="padding-left: 40px;">(b) other evidence suggesting the presence or absence of actual or suspected non-compliance with the Order</p>
3.5	31 December 2019	Santander will confirm appointment of the Independent Body.
3.4	31 January 2020	Santander will submit to the CMA a description of the scope of the Assurance Audit to be carried out by the Independent Body.

3.3 and 3.6	9 April 2020	Submission of the report by the Independent Body at the same time as submitting the PPI Annual Compliance Report (but within 30 calendar days of it being completed). At the same time, Santander will provide the CMA with a statement on actions that are required to be carried out related to any recommendations arising in the report, along with the timings of any such actions, signed by a Director responsible for PPI products.
3.7	To be agreed with CMA in H2 2020	Subsequent Assurance Audits will be carried out by an Independent Body until Santander has completed all relevant actions to address the recommendations from the initial 2020 independent Assurance Audit.
3.8	Within 14 days of completion of relevant actions	<p>Santander will provide written confirmation to the CMA that all relevant actions identified by the Independent Body have been satisfactorily completed. This will be provided within 14 days of their completion.</p> <p>Santander will also request written confirmation from the CMA that all relevant actions to address all the recommendations from the initial independent Assurance Audit carried out in year 2020 have been satisfactorily completed.</p>
3.9, 3.11 & 3.12	On receipt of written confirmation from CMA	<p>On receipt of written confirmation from the CMA (pursuant to Direction 3.8) that all relevant actions identified by the Independent Body have been satisfactorily completed, Santander may then appoint an internal audit function to carry out subsequent Assurance Audits.</p> <p>If an independent assurance audit continues to be required following initial assurance audit, Santander do not have to use the same independent Body each year. Any proposed amendment by Santander to the scope of the Assurance Audit will be agreed with the CMA in writing.</p>