

3XD Limited

From: Alistair Thompson
*Director, Remedies, Business and
Financial Analysis*

29 November 2023

3XD Limited's breach of Article 10.3 of the Payment Protection Insurance Market Investigation Order 2011

I am writing to you on behalf of the Competition and Markets Authority (CMA) concerning a breach by 3XD Limited of the [Payment Protection Insurance Market Investigation Order 2011](#) (the Order).

Article 10.3 of the Order prohibits PPI Providers from charging policyholders administration fees. 3XD Limited charged such fees to 3,142 policyholders.

The breach of Article 10.3

Between 19 October 2022 and 10 March 2023 3XD Limited charged 3,142 Mortgage Payment Protection Insurance (MPPI) policyholders a £2 per month administration fee. The total value of administration fees taken from policyholders was £31,256. The charging of such fees is prohibited.

The breach was caused by 3XD Limited being unaware of the provisions of the Order when introducing the administration fee.

The CMA's concerns

The charging of an administration fee means that affected policyholders were charged more than they should have been for their MPPI policy.

The prohibition on PPI Providers charging administration fees is an important element of our remedies to address the concerns found in the Payment Protection Insurance [Market Investigation](#). This measure, in combination with other remedies, was designed to make it easier for policyholders to understand the costs of PPI and if appropriate, to switch provider.

3XD Limited has taken action to put things right

I note that the breach of Article 10.3 was self-reported by 3XD Limited and that it has taken steps to end the breach and to prevent a recurrence:

- All affected policyholders received a full refund by 30 March 2023.
- It will provide competition and consumer compliance training to the 3XD board, which will be renewed on an annual basis.
- It will provide training on PPI compliance to all staff involved in any capacity in the development, promotion of, sale or administration of PPI products, including staff within the Group Compliance function. This training will be issued on an annual basis and will be compulsory for all employees working on PPI.
- It will introduce an approval process for any new PPI product or amendments to existing PPI products, whereby sign-off must be obtained from the 3XD board and Group Compliance before the product or amendment goes live.
- A PPI Compliance Checklist will be created setting out the key restrictions contained within the order, which must be filled out and signed by Group Compliance when signing off on any new PPI product or amendments to existing PPI products.

CMA assessment and next steps

Given the action that has been, and is being, taken by 3XD Limited, the CMA does not consider it appropriate to take further formal enforcement action in relation to this breach at present. However, the CMA will consider such action in the event of any further breaches. The CMA will monitor 3XD Limited's future compliance closely.

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

Yours sincerely

Alistair Thompson

Director, Remedies, Business and Financial Analysis