Cost Of PPI Scandal Now More Than Double The Cost Of The Olympics

Thursday 1 August, 2013

Today's announcement from Lloyds Banking Group of an extra £500 million provision for mis-sold Payment Protection Insurance (PPI) now takes total PPI provisions across all banks to a staggering £18.4 billion - more than double the cost of the Olympic Games (£8.9 billion).

Total Lloyds PPI provisions now total £7.275 billion.

There has been a noticeable drop in Lloyds' uphold rates, from 87% in the second half of 2011 to just 43% in the second half of 2012. Yet, in the second half of 2012, the Financial Ombudsman upheld 86% of Lloyds TSB's and 81% of Bank of Scotland's PPI complaints in the customers favour.

Which? executive director Richard Lloyd said:

"It is staggering that the cost of the PPI mis-selling scandal now stands at more than double the cost of the Olympic Games.

"We have repeatedly raised concerns with the banks, regulators and Financial Ombudsman Service about the worrying variation in quality of PPI complaint handling, and welcome further investigation from the regulator.

"There are rules on how banks should handle complaints and they should be making it as easy as possible for people entitled to a refund to claim back their money, without any hassle.

"There must be tough action taken against any bank found breaching the rules."

- Ends -

Notes to Editors:

Use our free online tool to put in your claim for a PPI refund. Lloyds has set aside another £450 million provision for PPI redress and associated administrative cost and a further £50 million provision for the FCA's enforcement investigations into its PPI complaint handling, making a total of £500 million extra PPI provisions.

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