

High Court Judge Orders Bank To Return All Payment Protection Insurance Premium Back To A Consumer Due To Inherent Mis Selling Of The Policy

Submitted by: Fast Track Reclaim

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In the case of Yates & Another v Nemo Personal Finance Limited & Another, Judge has created a legal precedent by being the first high court Judge to decide the sale of a Payment Protection Insurance (<http://www.fasttrackreclaim.com>) (PPI) policy created an Unfair Relationship (<http://www.fasttrackreclaim.com/index2.php?content=unfair-relationship>) between a Consumer and a Bank. The decision is the first to apply to over 90% of all PPI policies and is a decision which will send shockwaves through British Banks who sold PPI policies.

His Honour Judge Platts decided in this case that the sale of the PPI (<http://www.fasttrackreclaim.com/index2.php?content=ppi-claim>) was unfair as the insurance was unduly expensive and the seller of the policy received a financial incentive which was not disclosed to the Consumer. HHJ Platts Ordered the Bank to repay all PPI payments back to the Consumer as well as interest on the payments.

Leading experts in this area have reported that nearly all single premium PPI policies will fall into one or both of these categories above. This Judgement has opened the floodgates for Consumers who are seeking the return of monies paid towards PPI premiums.

In this case the salesman received a commission payment from the bank amounting to £8,886.80 for a policy in which the premium amounted to £15,468.75. The seller therefore retained over 57% of the policy as a commission payment.

Mike Cooper, Executive Director at Claims Firm Fast Track Reclaim commented:

“In this case the maximum benefit the client could have received was £8,000 for any one claim and the total policy cost was £32,436. This amply highlights the inherent problems associated with Single Premium PPI as this case clearly demonstrates there was little or no transfer of risk. The client was therefore financially disadvantaged as no alternatives were ever quoted.”

The cost of this policy is extremely common and Nemo explained to the Courts that this policy was not uncompetitive when compared to other banks who offered less competitive products. This extraordinary defence demonstrates the extent the banks went in taking advantage of vulnerable consumers who placed trust and confidence in brokers and banks.

This decision alone should provide Consumers with the confidence to bring a legal action against banks who have sold them a PPI product which was sold on a Single Premium basis.

Following previous favourable Judgments in the cases of Wollaston v Black Horse Finance and also MBNA v Thorius it seems clear the Courts have accepted that Banks have fallen well below the standard expected by Consumers and the Judiciary in the sale of PPI. It has been reported by the Competition Commission that PPI premiums provide profits of at least £1.6 Billion a year for the banks. The Financial Services

Authority are expected to release a report on legal redress for Consumers which is expected to place strict rules on Banks to redress consumers who have been miss sold PPI.

Colin Hartness, Managing Director of Fast Track Reclaim has urged any clients who potentially have PPI to contact Fast Track Reclaim so a full assessment of any loan or credit card can be undertaken.

“Many thousands of Consumers who have taken loans out may not even realise they have PPI as the bank may have automatically included the policy or told Consumers the PPI was Compulsory. Our Firm’s goal is to ensure every client who uses our service is provided with the optimum opportunity to recover all PPI premiums back from the banks at minimal risk from the consumer.”

Any Consumers who are currently considering making a claim should seek the advice of Fast Track Reclaim (<http://www.fasttrackreclaim.com>) on 0845 459 8895 or visit www.fasttrackreclaim.com who are authorised and regulated by the Ministry of Justice under CRM Number 3589.

Colin Hartness & Mike Cooper are available for any further comments on this case if required. Please contact Press Officer at Fast Track Reclaim, Duncan Crocker on 07828079626.