

PPI Recovery Service for Professional Estate Executors, Representatives and Administrators

Frequently Asked Questions v4 17/7/19

<p>1. What is PPI and what is the issue?</p>	<p>PPI (Payment Protection Insurance) is a type of general insurance which was sold in mass volumes alongside credit finance between 1985 and 2013.</p> <p>An estimated £50 billion of premium was sold. This has generated a mis-sold market of around £100 billion (when contractual and statutory interest is added). As of April 2019 only £35 billion has been repaid.</p> <p>The FCA is implementing a deadline on claims on 29th August 2019. They have been running an awareness campaign encouraging consumers to check and claim before the Deadline.</p>
<p>2. What does PPI have to do with probate/ estates?</p>	<p>Between 1985 and 2013 an estimated 15million UK adults have died. These adults may be been affected by the PPI scandal if they purchased credit/ finance in that period and may be due redress if that finance was mis-sold.</p> <p>The Next of Kin/ Estate are able to bring claims on behalf of the estate.</p> <p>There is an estimated £18 billion of PPI within the estates of those deceased</p>
<p>3. Why is this an issue for firms?</p>	<p>STEP have issued a practice note highlighting the fiduciary duty of certain representatives to consider checking for PPI before the deadline of 29th August 2019.</p> <p>You can read the practice note here: https://www.step.org/sites/default/files/Policy/PPI_Briefing_Note.pdf</p> <p>The Law Society have also issued guidance http://communities.lawsociety.org.uk/private-client/news-and-updates/private-client-section-commentary/payment-protection-insurance-and-private-client-practitioners/5067704.article</p> <p>In this article, Professor King outlines the issues and names Crystal Legal as a firm specialising in recovering PPI from estates.</p> <p>Firms are advised to re-visit their back books to 2000, this being in line with the action taken by the Official Receiver in regard to recovering PPI from bankruptcy cases.</p>

4. Who are Crystal Legal Services (Crystal)?	<p>Crystal Legal Services are an FCA Authorised firm who specialise in recovery of mis-sold financial products. The company has extensive experience in this area and has recovered over £100 million for its clients.</p> <p>Please refer to the company information pack to learn more.</p>
5. How can Crystal help?	<p>Crystal Legal Services has developed a service specifically for professional executors and estate administrators that can investigate and recover PPI from estates.</p> <p>It is designed for firms with large back books/ live matters (over 500) who need to protect themselves and clients before the PPI claim deadline.</p> <p>The service is easy to access and requires little/ no administration resource from the executor.</p>
6. How is Crystal competent in recovering PPI?	<p>We have operated in the area for over 8 years, have managed over 100,000 cases and recovered over £100million of redress.</p> <p>Our IT systems enable us to handle cases in large volumes and our banking relationships ensure we can deal with large volumes of cases.</p> <p>We have developed a bulk check-and-claim service designed to support representatives in the activity ahead of deadline.</p>
7. How does this service work?	<p>Crystal will become your firms' agent under a supply of services contract, which we shall provide.</p> <p>Firms provide Crystal with a spread-sheet based list of clients and Crystal will investigate and recover money on behalf of the estates.</p> <p>All bank engagement, case management is performed by Crystal and firms will receive a report confirming the results of each estate they have submitted.</p> <p>Firms will be asked to sign an indemnity, per bank and on law firm headed paper, confirming that they authorise Crystal to instruct Crystal to act and providing assurance to the banks.</p> <p>Crystal cannot warrant any level of compensation from this project due to lack of detail about each estate because it is unknown which estates may have hidden PPI. However, we shall provide each from with a report covering the results of the process per estate.</p>
8. What types of firms can we act for?	<p>We can act for all firms including; Ltd companies, LLPs, partnerships and Trust Companies</p>
9. What is the profile of an Estate to be	<p>Estates must be</p> <ul style="list-style-type: none"> • Date of death after 1st January 1985 or live cases

<p>suitable for this service?</p>	<ul style="list-style-type: none"> • Deceased to be adult (aged 18 or older) on date of death or at time of court order • No upper age limit
<p>10. Do you support living cases? i.e. deputyships and attorney-ships?</p>	<p>Yes, so long as your firm has a relevant authority to act we can provide a check-and-claim service.</p>
<p>11. Do we need to provide grants/ orders for all estates we submit?</p>	<p>No. On the understanding that your firm holds relevant authority to perform a check/ claim on behalf of the estate then the service will operate under a global Deed of Indemnity per firm for each bank we approach.</p>
<p>12. We have no information about who these clients had banking relationships with, how will you know where to target?</p>	<p>The service does not depend on having knowledge of the deceased clients' financial relationship. We will engage banks covering 95% of the PPI-sold market which presents a "reasonable and proportionate" approach.</p> <p>The success of the service depends on the ability of the banks to locate the deceased clients records as such, previous names and addresses are very important to receive.</p>
<p>13. We have no knowledge of lending relationships the client had; do you need their bank account details?</p>	<p>Yes. If you know where the client had their bank account then you should include this information in the spreadsheet. Even though this is not a lending product that may have PPI it will help the bank locate the client. This in turn will allow them to search their systems for possible lending products the deceased client may have had.</p>
<p>14. What specific information do you need about each deceased client?</p>	<p>We require;</p> <p><u>Mandatory</u></p> <ul style="list-style-type: none"> • Full name • Address last known/ at time of death • Date of birth • Date of death (executor cases) or date of order for Deputyships and Attorneyships <p><u>Additional</u></p> <p>Previous known names and addresses are helpful but not mandatory.</p> <p>Details of any lending relationships the deceased may have had (loans, credit cards, overdrafts, store cards, home shopping accounts, mortgages etc including account numbers) in the time period will assist the bank in locating the estate in their records and thus increase the chance of a successful claim outcome for the beneficiaries yield from the project.</p> <p>This information will be required in spreadsheet form in a prescribed format via a template we shall supply.</p>

<p>15. What are the costs of the service?</p>	<p>There is no up-front/ setup costs of the service.</p> <p>The service is provided on a contingency basis. Where monies are recovered then our fee will be 20% plus VAT, recovered from the cash proceeds of the claim.</p> <p>If no money is recovered from an estate then there will be no fee to pay.</p>
<p>16. What happens to money recovered from the process?</p>	<p>Crystal will receive this into our client account and remit net proceeds after fees to your client account, with remittance advice. You will then be responsible for disbursing money back to beneficiaries.</p>
<p>17. As the consumer who had the finance is deceased/ not accessible, what is the arguable base of these claims?</p>	<p>PPI was a mass-sold product. It is widely accepted that substantial amounts of this were not sold correctly. Where access to client testimony is not possible then banks will need to assess if, on the balance of probability, the insurance was correctly sold. If not, they should find in favour of the client, uphold the complaint and redress the client (or estate, in this example).</p>
<p>18. What do I need to be able to use this reclaim service</p>	<p>Your firm needs to provide data in a prescribed template and agree to an indemnity for banks to allow them to release information and any redress.</p>
<p>19. How will I know the results? Will I get updates?</p>	<p>Crystal will provide a dedicated point of contact who will provide the results of the claims and respond to any queries and questions you may have. Contact details will be provided once you have returned our contract.</p> <p>All firms using this service will receive a detailed report on the outcomes of every estate we investigate.</p>
<p>20. What are the deadlines for accessing this service?</p>	<p>Crystal will be project managing the applicants. We expect to require all firms to have contracted with Crystal Friday 12th July, and all data and indemnity forms with us by 26th July. The onboarding process will be managed by your account manager.</p>
<p>21. Should I run this service for my firms lay-executors?</p>	<p>Lay executors using firms of solicitors to assist in administration have relied on the advice provided by that firm. That advice according to STEP and Law Society, should have directed the executor to run PPI checks for the deceased. Failure to do so creates risk for the lay executor and the advising solicitor.</p> <p>Where a firm has provided support to lay-executors many firms are choosing to act on a client best interests and include those estates in a project, even if they do not hold an explicit authority to act, as this protects the executor and beneficiaries from losing out on potential redress if they do not act before the 29th August PPI claim deadline.</p>

<p>22. Do I need to get my executor client to sign your terms or Letters of authority?</p>	<p>No. Where your firm is the sole/ joint executor or deputy or attorney then your firm will be able to authorise Crystal to act.</p> <p>Where your firm is administrator then, given the short amount of time to deadline there is little chance of receiving instructions ahead of deadline. Many firms are directly accepting responsibility for these cases. Crystal is happy to accept your firms' instruction to include those estates within the project.</p>
<p>23. What are the success rates and redress values</p>	<p>The results of this project will depend on the "quality" of the information provided by the firm.</p> <p>Many clients will have moved addresses meaning the lending address held by the bank may not match the last/ current address held by the firm. Sharing any and all previous names and address will assist Crystal maximizing the results in terms of PPI found.</p> <p>Where a PPI policy is found and subsequently shown to be mis-sold and thus recovered, the average redress value is around £2000. This varies by type of finance, amount borrowed and the length of time which has passed.</p>
<p>24. What are the timescales/ deadlines?</p>	<p>The FCA PPI claims deadline is Thursday 29th August 2019 at 23.59. All claims must be submitted by this date to fall within the deadline.</p> <p>Crystal are requesting all data sets to be submitted to us by Friday 26th July 2019 This is to allow us to check, format and submit the claims ahead of deadline.</p> <p>We are requesting all firms who wish to take up this service to confirm with contracts as soon as possible, advising on the number of estates they intend to submit. This will ensure we maintain "slots" for that firm.</p>
<p>25. How will you manage the data?</p>	<p>Crystal is using a secure cloud storage solution to share and receive files, documents and reports. An invitation will be sent to you once you confirm agreement to the T&Cs</p>
<p>26. What happens if my firm wants to use this service but we miss the data submission deadline?</p>	<p>Crystal must ensure that we submit all received estates by 29th August and for this reason we require some time to prepare the files.</p> <p>Firms who submit after the 26th July <i>may</i> have their files rejected by Crystal.</p>
<p>27. What happens once my firm has submitted data?</p>	<p>Assuming the data has been received on/before the 26th July:</p> <p>Crystal shall review the data. Any records falling out of scope/ criteria will be flagged and returned to you with reasons. You will have 7 days to update/ amend/ confirm the records and provide us with updates.</p> <p>Following our review we shall confirm which records are being submitted for check-and-claim.</p>

	<p>Should any banks generate requests for further information or queries, these shall be returned to your firm for processing. Unless your firm is able to provide answers/ updates then our work shall cease and the claim shall be complete. Where your firm provides updates then we shall process those response back to the respective bank.</p> <p>Claims can either outcome as;</p> <ol style="list-style-type: none">1. Client found, PPI found, claim upheld, or2. Client found, PPI found, claims rejected (invalid/ already claims), or3. Client found No PPI found4. No client found <p>For each of the above, we shall update a report and provide your firm with that outcome.</p> <p>Where redress is due, this shall be received into our client account* (unless the bank pays redress to the firm directly)</p> <p>Where we believe a valid claim has been rejected we shall assess for further action via the Financial Ombudsman Service (FOS) or via litigation with a Crystal partner aw firm.</p>
28. How do we engage?	If this is a new enquiry please send an email to executor.ppi@crystallegal.com ad request an information pack

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