

Creditor Insurance - UK - July 2009

Report Price: £1500 / \$3000 / €2250

What is this report about?

The PPI industry has been in decline since 2006, as a result of the relentless attack it has been under by the media. Providers are accused of selling over-priced policies in order to subsidise low interest rates on loans and credit cards, which it is argued do not represent good value for customers. In addition, high-pressure sales tactics and widespread mis-selling of policies has compounded the issue, with the FSA imposing increasingly hefty fines on providers. The PPI industry is expected to undergo widespread changes over the next couple of years, with products and sales processes being redesigned and the likelihood of new types of protection products emerging as a result.

Key issues covered in the analysis

1. The creditor insurance market is expected to be badly hit by the new CC rules, in particular the point-of-sale ban on PPI.
2. As a result of these new rules and the industry's negative public image, Mintel believes the overall market declined by 17% in 2008 and will decline by a further 26% in 2009.
3. A new attack by the FSA, in which it challenged the use of unfair contract variation terms, may also hit providers at a time when they are already suffering.
4. The big banks dominate the market – with an estimated 53% share of distribution and 54% of underwriting policies.
5. Consumer confusion is another problem, with Mintel research showing that 17% of people don't understand what PPI is or how it works. Providers need to educate people in light of this.
6. The CC does not like the fact that consumers do not shop around for cover, but Mintel believes that if more aggregators entered the market, the situation would be much improved.

Scope of the report



Mintel Oxygen - Quality market and consumer insight

Mintel Oxygen isn't just another source for market research data - it's your business guide towards successful growth and profitability.

Mintel Oxygen - All you need to know about your market:

- Opportunities and risks
- Product innovation
- Brand analysis
- Consumer trends
- Company profiles and analysis
- News and commentary
- Overviews, PowerPoint presentations, Search function

Use Mintel Oxygen to:

- Gain fresh market insight every day
- Drive your business forward based on consumer trends
- Stand out in new business pitches
- Support your decision-making
- Validate your approach with solid data and expert opinion
- Benchmark competitive activity
- Monitor international developments

If you have any questions or require further information, send an email to oxygen@mintel.com or call us on +44 (0)20 7606 6000.