

Ref: ST

10 September 2019

Financial Conduct Authority
12 Endeavour Square
London
E20 1JN

Dear Sirs

Payment Protection Insurance (PPI)

Claims in relation to the estates of deceased persons

The Chartered Institute of Taxation and TACT – The Association of Corporate Trustees (the Organisations) represent their members, who, amongst other activities, administer and advise in relation to the estates of deceased persons.

Following consultation with a wide range of interested parties, the Financial Conduct Authority (FCA) set a final date of 29 August 2019 (the Closing Date) by which claims for redress resulting from the mis-selling of PPI would be accepted by the financial institutions liable under the FCA scheme. This includes breaches of the commission limits (Plevin claims). Notwithstanding such consultation, it is disappointing to note that neither of the Organisations, nor other organisations with interests in the administration of estates of deceased persons) appear to have been invited to participate in the consultation.

Furthermore, whilst those consulted represented a wide swathe of interests, including bankrupts and persons without capacity, no consideration appears to have been given in relation to the estates of deceased persons. Recent research has indicated that there could be as much as £18 billion of potential claims tied up in the estates of approximately 15 million persons who have died since 1985.

Although there has been substantial advertising to draw the Public's attention to the Closing Date, that initiative focussed on claims by living individuals. There has been no obvious indication that a claim survives death and, therefore, that the estates of deceased persons are equally entitled to claim redress. We consider this clearly disadvantages both those responsible for administering such estates and the persons (whether individuals or otherwise) entitled to benefit from them.

Although some of those administering the estates of deceased persons have received PPI redress payments, until recently there was no widespread recognition of such entitlement.

On 5 February this year the Insolvency Service published a notice stating that it was reviewing all bankruptcies back to 1 January 2000, to identify and claim any PPI redress to which the bankrupt estates are entitled.

The position adopted by the Insolvency Service has highlighted to those either administering, or entitled to the benefit of, the estate of a deceased person, that it is not just those estates currently under administration that may have a valid claim for PPI redress. Any estate that may have been wound up and distributed 20, or more, years ago may also have a valid claim.

For those who have administered estates during the period since, say 1 January 2000, the calling back and review of documents for thousands of estates is a mammoth task. Even with all best endeavours, for many estates this would not have been completed before the Closing Date – 29 August 2019 – let alone in time for enquiries to be made of the appropriate financial institutions and claims submitted. Even if the task had been completed by the Closing Date, it would require a Herculean effort by the financial institutions to process such an influx of claims (and not just those from the estates of deceased persons) within a satisfactory timescale. We note that some financial institutions recorded a four-fold plus increase in the number of claims during August in any event.

In the light of the above, you will appreciate there has been little, if any, time for those involved in the estates of deceased persons to produce the resources necessary to undertake the necessary reviews of estate records, and to make claims.

In the circumstances, the Organisations hereby request that the FCA arrange to extend the Closing Date for submission of claims for PPI redress in relation to the estates of persons who died before 29 August 2019 only. We consider that an extension of 12 months should provide sufficient time to enable both:

- the identification of the estates and their entitlement to redress, and
- the financial institutions to manage all claims efficiently and effectively.

We understand that the Closing Date did not apply to claims for redress against insolvent financial institutions, so that a variation of the Closing Date for specific scenarios is not without precedent.

Representatives of the Organisations will be pleased to meet with the FCA to discuss this request and the most practical way forward so as to reduce, or even remove the disadvantage suffered by estates of deceased persons.

Yours sincerely



Scott Clayton
Chief Executive, TACT



John Cullinane
Tax Policy Director, CIOT

The Chartered Institute of Taxation

The Chartered Institute of Taxation (CIOT) is the leading professional body in the United Kingdom concerned solely with taxation. The CIOT is an educational charity, promoting education and study of the administration and practice of taxation. One of our key aims is to work for a better, more efficient, tax system for all affected by it – taxpayers, their advisers and the authorities. The CIOT's work covers all aspects of taxation, including direct and indirect taxes and duties. Through our Low Incomes Tax Reform Group (LITRG), the CIOT has a particular focus on improving the tax system, including tax credits and benefits, for the unrepresented taxpayer.

The CIOT draws on our members' experience in private practice, commerce and industry, government and academia to improve tax administration and propose and explain how tax policy objectives can most effectively be achieved. We also link to, and draw on, similar leading professional tax bodies in other countries. The CIOT's comments and recommendations on tax issues are made in line with our charitable objectives: we are politically neutral in our work.

The CIOT's 18,500 members have the practising title of 'Chartered Tax Adviser' and the designatory letters 'CTA', to represent the leading tax qualification.

TACT – The Association of Corporate Trustees

TACT - The Association of Corporate Trustees is the membership organisation of the UK corporate trustee sector. Its members include trust companies owned by banks and major financial institutions, as well as those set up by firms of accountants, lawyers and pensions professionals.