

PRESS INFORMATION

30 January 2009

IP TASK FORCE CONCERNED ABOUT USE OF “INCOME PROTECTION”

The Income Protection Task Force are meeting to discuss the Competition Commission Report on PPI next week but believe there is an immediate need to prevent consumer confusion by outlawing the use of the term “Income Protection” for short-term products.

Peter Le Beau, co-chair of the IPTF said,

“For too long we have turned a blind eye to the inappropriate use of the term Income Protection by ASU providers. Consumers need to understand that ASU products will not provide adequate long-term Income Protection and we would like the ABI and other regulatory bodies to ensure that this source of consumer confusion is cleared up. There is a danger that if we do not act promptly to resolve this situation long-term IP products could be tarred with the same brush as ASU. This would be profoundly misleading to people seeking protection for their ongoing financial commitments. There is a very important place for short-term IP products but they will not replicate the way ASU has been put together.”

Queries on this release should be directed to Peter Le Beau on 0779 9074 020 or Clive Waller on 0771 0038 520.