



Sign in or Register to discuss and share stories

Raleigh 12.4°C

HOME NEWS SPORT SHOWBIZ

ALL



Like 628k

# Huge delays as debtors forced to claim over PPI



Scandal ... Brits forced to claim for PPIs  
George Doyle/STOCKBYTE

By JANE HAMILTON Published: 03rd October 2012

## THOUSANDS of Brits are having their lives put on hold in the latest scandal linked to the mis-selling of Payment Protection Insurance (PPI).

Around 1,500 people a month battling to clear debts under an Individual Voluntary Arrangement face delays in coming off the insolvency register, after being forced to claim for PPIs they DON'T have.

IVA providers now routinely ask all debtors to sign reclaim documents to begin the claims process, even if they are adamant they have no PPI on credit, says Andy Davie of web forum iva.co.uk.

People cannot be released from their IVA and resume normal life until the PPI claim has been settled or rejected.

But the backlog of claims means even people who have completed their IVAs are remaining on the register for up to a YEAR longer than normal, preventing them from rebuilding their credit rating and moving on with their lives.

Often dubbed "bankruptcy light", IVAs are formal contracts which let debtors pay off creditors over a five-year period.

Unlike bankruptcy, debtors are able to keep their home but all their disposable income must be paid into the IVA to settle debts.

The number of people entering IVAs is up eight per cent on last year as more people feel the economic squeeze.

Andy estimates up to two thirds of the 30,000 people a year taking out IVAs have been made to reclaim, with an average extra wait of three to six months.

He said: "People who are coming to the end of their IVAs are having to wait on completion because of the PPI reclaims.



Warning ... Andy Davie

"They are having to agree to the PPI refund process even if they swear blind that they never took out PPI.

"An IVA can be a very hard solution, with all of your disposable income paid into it for five to six years.

"People want completion so that they can start rebuilding their lives and credit rating."

Earlier this year figures from the Building Societies Association showed speculative claims for PPI refunds, where claims firms did not know if a customer had PPI, had rocketed by 247 per cent in just six months.

Bogus claims have been blamed for clogging up the refund system and slowing down payments for genuine customers.

Banks have set aside £10BILLION to fund the claims.

PPI policies were sold to customers to protect them if they ever defaulted on a loan, mortgage or credit card when they were made redundant or fell sick.

But hundreds of thousands of punters were sold them when a claim was virtually impossible.

Others did not even know they had "bought" the policies.

Andy added: "On the iva.co.uk forum we are seeing more and more people complaining about this delay with many saying they have been waiting over a year.

"Having the goalposts moved has been very frustrating for people and poor communication, and an uncertain closure date, have made many people very angry."

Find out more at [iva.co.uk](http://iva.co.uk).

## Fortunes up in smoke

THIS month is Stoptober, an NHS-led campaign to encourage smokers to ditch the fags and save a packet.

The average 20-a-day smoker could save more than £2,600 a year by quitting. Even a ten-a-day puffer would grab back enough in a year to pay for a Caribbean cruise for two.

Putting the cash into a tax-free ISA would be great for your financial health.

## Online fakers bank on small changes

THE number of fake bank websites is rising by three per cent every month as criminal gangs try to lure customers into handing over their details, according to research by web antivirus firm Bitdefender.

Fake sites usually copy the logos and banners of well-known firms, but will have a slightly different URL address.

For instance, the Royal Bank of Scotland's rbs.co.uk may be portrayed as r-b-s-online.co.uk – which is close enough to fool some customers.

- PARTNERSHIP mortgages, where lenders take a percentage of the profit when a homeowner sells a house, could be the way forward for Brits who have had applications for a traditional mortgage rejected.

You can learn more at [castletrust.co.uk](http://castletrust.co.uk).

Like 0 Tweet 0

Back to top of page

### Ads by Google

FreeCreditScore.com™  
A Good Credit Score = 700 & Above. See Yours Now for \$0.  
www.FreeCreditScore.com

See HARP Mortgage Program  
Rates Hit New Lows at 2.5%(2.9%APR) Fed Spends \$40B to Keep Rates Low!  
www.MortgageRates.LowerMyBills.com

Best 10 Banks for rates  
Best for Savings, CDs, and MMAs. Listed in a chart just for you!  
banktruth.org/rates

### RELATED STORIES

- Women face huge rise in insurance premiums due to EU 19 hrs ago
- Jeremy Hunt says Tories may have to slash NHS spending 04/10/12
- Make power cuts with our guide to saving 24/10/12
- Forget red or black – your account can also be in the green 17/10/12
- Spam PPI texts pair facing fine of £250k 02/10/12
- Britain's banks sink to new low ... with customer complaints made every 4 secs 28/09/12
- Lloyds bank branch boss blasts bonus-chasing bullies 21/09/12

### RECOMMENDED STORIES

- Nic: 'My boobs are only for sex'
- Love rat Amir Khan's fiancée gushed about wedding frenzy
- Top 10 Fergie flop signings
- 8m lose power as Sandy hammers New York causing £31bn damage
- Outrageous Photos Of Kim Kardashian See-Through Skirt Zimbo
- Disney's Haunted Mansion for sale Bankrate.com
- Rumble in Times Square: A Man Defends His Fiancée's Honor TruTV
- Pirate Bay Co-founder Arrested in Cambodia PCWorld

Recommended by Outbrain [?]

1 person listening

Sign in livefyre

Comment help Get Livefyre

Post comment as Post to

+ Follow conversation Following - Unfollow

0 comments

Contact Us Mobile News Alerts Your View

HOME	NEWS	SPORT	SHOWBIZ	MORE
	Politics Captain Crunch Sun City Forces Sun Justice Sun Says Hold Ye Front Page News Videos	Football Cricket F1 & Motorsport Boxing Wrestling Rugby Union Rugby League Golf Tennis Racing Sport Videos	Bizarre TV Film Music Biz Sessions Celebrity Index Showbiz Videos X Factor TV Magazine	News Sport Showbiz Lifestyle Fun And Games

Follow @TheSunNewspaper Like 628k

SEARCH

© News Group Newspapers Limited Registered in England No. 679215 Registered office: 3 Thomas More Square, London E98 1XY. "The Sun", "Sun", "Sun Online" are registered trademarks or trade names of News Group Newspapers Limited. This service is provided on News Group Newspapers' Standard Terms and Conditions in accordance with our Privacy & Cookie Policy. To inquire about a licence to reproduce material, visit our Syndication site. View our online Press Pack. For other inquiries, Contact Us. To see all content on The Sun, please use the Site Map. The Sun website is regulated by the Press Complaints Commission (PCC)

Our journalists strive for accuracy but on occasion we make mistakes. The Sun ombudsman will correct significant errors. Please contact her at [ombudsman@the-sun.co.uk](mailto:ombudsman@the-sun.co.uk)

By continuing to use the site, you agree to the use of cookies. You can change this and find out more by following this link. Accept Cookies

**CASHFLOW GUIDE**

- CASHFLOW 30/08/12**  
**What you need to know about phone recycling**  
SAFE and profitable? Here's Cashflow's guide to phone recycling
- CASHFLOW 20/08/12**  
**Five ways to cut car insurance renewal costs**  
DON'T renew without checking whether you can drive down price
- CASHFLOW 20/08/12**  
**How to get the most out of student banking**  
SWOT up on top Cashflow tips before you hit the textbooks
- CASHFLOW 20/08/12**  
**Five key tips to pick the right current account**  
OVERDRAFTS to benefits, don't miss these banking tricks
- CASHFLOW 27/07/12**  
**Five ways to get the most out of pre-paid cards**  
HERE'S how to manage a pre-paid card when on holiday
- CASHFLOW 27/07/12**  
**Five things to know about mortgages**  
CASHFLOW'S tips on most homeowners biggest monthly outlay
- CASHFLOW**  
**Five things you need to know about ISAs**  
CASHFLOW'S five reasons you should opt to save with ISAs
- CASHFLOW**  
**Five things to know about credit cards**  
TAKE note of important info before you splash out on the plastic
- CASHFLOW 29/02/12**  
**How to find cheaper car insurance**  
HERE'S some top tips on getting cover for your car
- CASHFLOW 27/07/12**  
**How to get the most out of your ISA**  
CASHFLOW'S basics on managing Individual Savings Accounts
- CASHFLOW 27/07/12**  
**How to claim back mis-sold PPI**  
TOP lawyer's advice on mis-sold Payment Protection Insurance
- CASHFLOW 27/07/12**  
**How to cut the cost of your energy bills**  
CASHFLOW shows you how to save an average of £200 a year
- CASHFLOW**  
**How to find best loan deals on the market**  
CASHFLOW's expert spills the beans on best borrowing
- CASHFLOW 27/07/12**  
**Best streets for first-time home buyers**  
DESPITE high prices, there are still affordable properties

**Tweets** Follow @steve\_hawkes

- steve hawkes** @steve\_hawkes 3h  
Ahead of the House of Commons debate on beer duty tomorrow - what's everyone's favourite tipple? Doom Bar, Proper Job?!
- steve hawkes** @steve\_hawkes 4h  
PwC axes 156 staff at Manganese Bronze hours after saying there is significant interest in saving the co... good old administrators
- Dominic Lindley** @DominicLindley 6h  
@steve\_hawkes: Ridiculous that the only senior individual fined by FSA for PPI mis-selling has been the CFO of I and of I leather sofa chann

Tweet to @steve\_hawkes