

Appendix 3

Handling Payment Protection Insurance complaints

3.5 Re-assessing rejected claims at step 1

App3.5.-1 **E** This section applies to step 1.

App3.5.1 **E** Where a *complaint* is about the sale of a *policy*, the *firm* should, as part of its investigation of the *complaint*, determine whether any claim on that *policy* was rejected, and if so, whether the complainant may have reasonably expected that the claim would have been paid.

App3.5.2 **G** For example, the complainant may have reasonably expected that the claim would have been paid where the *firm* failed to disclose appropriately an exclusion or limitation later relied on by the *insurer* to reject the claim and it should have been clear to the *firm* that that exclusion or limitation was relevant to the complainant.