

LENDING CODE REPORT

Annual report for 2012



KEY FACTS...



The FLA Lending Code Group monitors compliance by FLA members with the FLA Lending Code.



All FLA members providing consumer or motor finance must comply with the standards set out in the Lending Code as a condition of membership.



Members must confirm annually their compliance with the Code. The FLA also conducts monitoring visits to check members' compliance with the Code.



The Lending Code Group has the option of taking enforcement action, when required, against members who do not meet the provisions of the Code. Serious breaches of the Code can be referred to the FLA's Disciplinary Panel.



The FLA operates two complaint resolution schemes under which consumers can receive conciliation and arbitration services. Both are free for consumers and open to any customer of a full FLA member. Complaints are received by the FLA by post and on-line. The FLA also deals with a large number of telephone and email enquiries.

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...AND FIGURES



In 2012 the FLA dealt with 5,888 complaints from members of the public and other external agencies. 4,665 were referred to FLA members for investigation, an increase of 309% on the previous year;



78% of complaints were referred directly from consumers;



77% of the cases referred to members were resolved in 2012;



72% of the cases the FLA dealt with in 2012 were resolved within two months. 95% of FLA cases were resolved within three months, and the remaining 5% took four or more months to resolve;



The average time taken to resolve complaints was 50 days;



93% of new complaints to the FLA were about PPI, an increase of 215% on the previous year's figures;



The FLA resolved 78% of all referred PPI cases in 2012. Of these 6% resulted in the decision of the lender being changed in favour of the consumer.