

MoneyMarketing

Fine the bank chiefs for PPI misselling, says panel

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Bank chiefs should be hit with personal fines if their firms are found to have missold Payment Protection Insurance, according to the Financial Services Consumer Panel.

Speaking in an interview with The Observer this weekend, chairman Adam Phillips called for senior banking figures to be fined by the FSA.

Land of Leather chief executive Paul Briant was fined £14,000 for failing to properly oversee PPI sales. Alliance & Leicester was fined £7m over PPI business but staff were not hit with any personal penalties.

Phillips told The Observer: "I want to see more senior people, the heads of UK retail banking, sanctioned for mis-selling PPI. At the moment, the most senior person to have been sanctioned is the chief executive of Land of Leather."

CBK Colchester principal Peter Chadborn says: "I agree that the lion's share of the responsibility needs to be taken on by the policymakers in the banks. Whether that needs to be any one person held culpable, I am not sure. But to be fair to the sellers of the product, they can only be influenced by their line of management and their line management is getting pressure from their line management and so on."

But while Chadborn argues that senior staff should take more responsibility for mis-selling, he does not believe fines for individual bank chiefs will ever be implemented.

He says: "Making the senior figures pay is never going to happen but it needs to be recognised that decisions are made at a high level and that influence translates itself all the way down the line. So in many ways, the people who are actually selling it are often the scapegoats."