



Lloyds TSB

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LLOYDS TSB ANNOUNCES NEW-STYLE, MONTHLY PAYMENT PROTECTION INSURANCE, AS UNEMPLOYMENT CLAIMS SOAR

- *Provider reports more than 100 per cent increase in unemployment claims and a range of new claims support initiatives*
- *New monthly policy replaces historic, single premium loan protection insurance*
- *Latest announcement from Lloyds TSB in a series of pledges to help customers through these uncertain times*

Lloyds TSB has today announced that it will be launching a regular monthly premium, payment protection insurance (PPI) product for personal loan customers in January 2009.

Regular premium PPI offers consumers more flexibility than the historic single premium product by allowing them to pay for cover on a monthly basis. The new-style policy has been designed and developed over the last six months, following an extensive customer research programme. The research found that, more than ever, consumers value the comprehensive cover provided by PPI, but want banks to make it easier for them to manage their money in today's challenging economic environment.

Lloyds TSB's new monthly premium policy will maintain the valuable benefits of the existing product. This was recently reaffirmed for the third year in a row by Defaqto¹ as 5 star – its highest rating.

Lloyds TSB has seen unemployment claims made against loan PPI policies rise by more than 100 per cent since January 2008 and has introduced a range of measures to support customers through the claims process. These include;

- Increased flexibility in claims process to account for individual circumstances
- Monitoring of external environment to identify high profile business distress and large scale redundancies - provision of immediate cash payments to those affected
- Emergency claims surge team to handle significant call and claims volumes

Ian Larkin, Managing Director, Lloyds TSB Consumer Banking, said: “The increased volume of claims we have seen from customers over recent months clearly demonstrates that PPI is a product of real value, offering peace of mind and protection for consumers if their circumstances change and they become unexpectedly sick or unemployed.

“We want to continue to do as much as we can to support our customers in this difficult climate. They have told us that their needs are changing and that they value the cover our PPI provides but also want cover that is flexible. Spreading the cost of PPI makes it accessible and affordable for more customers, at a time when it has never been more important.”

The move to monthly premium PPI is another example of Lloyds TSB’s commitment to listening to its customers and is part of its overall programme to help them manage their money through these uncertain times. Today’s announcement follows Lloyds TSB’s pledge to immediately pass on base rate changes to variable rate mortgage and small business customers and its introduction of 1700 branch specialists to help customers in financial difficulty.

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Notes to editors:

¹ Defaqto is the UK’s leading, independent provider of financial services research

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