

GAP insurers ordered to pause sales

28 March 2024  Tim Johnson

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The Financial Conduct Authority (FCA) has ordered providers of Guaranteed Asset Protection insurance (GAP) to pause sales of the product by the end of March. [Consumer Duty: Financial Conduct Authority \("FCA"\) highlights areas of improvement](#)

This development follows our update in [The Word last month](#), regarding the FCA's announcement that multiple insurance firms had agreed to pause sales of GAP, at its request. The firms that have already taken such action account for 80% of the GAP insurance market, leaving the remaining 20% to pause sales this month.

The action comes in light of the FCA's previous concerns that GAP insurance [was failing to provide fair value to some consumers](#). The FCA have discussed the need to see improvements in the product and its readiness to review revised proposals by firms as soon as possible, [stating](#):

"We are working closely with GAP insurers to resolve these issues as quickly as possible, so that customers can access fair value products that meet their needs"

How can we assist?

Contact our team about how we can assist your firm with the Consumer Duty, including:

- Insurance policy wording and associated document health checks, including advice as to any legal or regulatory issues or areas where the document has an increased risk of uncertainty.
- Readability analysis - assessment of the reading age of the wording, together with a word frequency analysis (identifying words which readers are unlikely to encounter in their everyday lives and which are shown to hinder understanding).
- [Consumer testing](#) - identifying key customer outcome measures for customer-facing documents, improving clarity and testing with large numbers of customers to establish levels of understanding.

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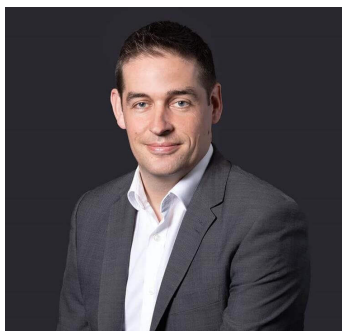
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