



Dear Representatives,

Update on Section 27 casework

We wanted to provide you with an update on the next steps concerning SIPP Operator claims that may have an additional basis of claim as a result of Section 27 (S.27) of the Financial Services and Markets Act.

If you have been following our [S.27 technical information page](#) you will be aware that the developments in the law concerning S.27 potentially apply across a number of different SIPP operator failures including Liberty SIPP, Guinness Mahon and Berkeley Burke to name a few.

We are very mindful of the fact that all those who are waiting for decisions on their S.27 claims have been waiting longer than we'd wish.

FSCS is moving into a period of increased claim specific activity. Our focus for the time being are customers who have claims about the activities of the unauthorised firm Avacade Ltd. We'll firstly need to confirm, on a case-by-case basis, that customers had dealings involving Avacade and then determine if they have a valid claim under our rules.

S.27 data gathering

During our assessment we will likely need to get some information including an updated value for the pension that the customer transferred from the previous pension provider. We've been working closely with some larger firms to ensure we receive information in a timely manner. However, it is not unusual for this to take up to six weeks to receive, so this can be a reason why a claim's status doesn't always change when expected.

How you can track an S.27 claim's progress

Only claims that we are ready to work will show as active on our [online claims portal](#). In determining our process to assess the S.27 claims, we have agreed that where a customer has already received compensation on an interim basis in relation to an investment due diligence failure, we're unlikely to reopen the previous claim. Instead, FSCS will create a secondary linked claim to consider whether further compensation is payable under S.27.

We will only do this once we're ready to work the claim and at this point, we will write to you and notify you of any updates and next steps concerning the claim. This will also include whether any updated signatures or evidence are required. Once we have created the secondary claim, you will be able to view its progress through the portal.

At this stage there is nothing you need to do. We will make claims-specific requests in the usual way. We want to ensure our focus is taking claims forward, so please do not contact us for updates unless you need to tell us about an update to a client's circumstances, for example if we need to consider prioritising their claim.

We will also provide another S.27 update in June 2024.

Regards,

The Relationship Management Team

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