

Good news for Beaufort clients as plan approved for returning funds

The Financial Services Compensation Scheme (FSCS) is glad to announce that the vast majority of clients of the failed Beaufort Asset Clearing Services will get back all their cash and assets.

The distribution plan, which had been agreed by Beaufort's creditors' committee on 13th July, was approved last week by the High Court.

Mark Neale, FSCS's Chief Executive, said: "This is a big step on the road towards a successful resolution for clients. Under the approved plan, the vast majority of Beaufort clients will receive back all their cash and assets with no need to make a claim to FSCS. FSCS will compensate eligible clients for the administration costs, which for assets will be capped at a maximum of £10,000 per account. In addition, FSCS will also compensate for the distribution costs of returning cash up to the overall limit of £50,000 for investment claims. FSCS continues to work closely with the special administrators PricewaterhouseCoopers (PwC) as we focus on delivering the best outcome for clients in the wake of the Beaufort collapse. Asset transfers are expected to start in mid-September in line with the approved plan. We also believe that the approved plan will deliver in an efficient way, which will control the cost to the levy payers who fund FSCS."

Further details of the distribution plan can be found on PwC's website at:

<https://www.pwc.co.uk/services/business-recovery/administrations/beaufort/distributions.html>

You can keep up-to-date on future developments regarding Beaufort on our website:

<https://www.fscs.org.uk/what-we-cover/products/investments/information-customers-beaufort-securities-limited-bsl-and-beaufort-asset-clearing-services-limited/>

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Notes to editors:

1. About FSCS

FSCS is the UK's statutory compensation scheme for customers of authorised financial services firms. It was set up by Government in 2001 and is funded by the financial services industry. FSCS protects deposits, investment business, home finance (mortgage) advice, general insurance, insurance broking and debt management. FSCS can pay for financial loss if a firm is unable, or likely to be unable, to pay claims against it. The following limits apply:

- Deposits: £85,000 per person per authorised deposit-taker (for claims against firms declared in default from 30 Jan. 2017). For more details visit our [Deposit Limits](#) page.
- Investments and home finance: £50,000 per person per firm (for claims against firms declared in default from 1 Jan. 2010). For more details visit our [Investment Limits](#) and [Home Finance Limits](#) pages.
- General insurance advice and arranging claims: 90% of the claim is protected with no upper limit. Compulsory insurance is 100% (for business conducted on or after 14 Jan. 2005). For more details visit our [Insurance Limits](#) page.
- Debt management: £50,000 per person per firm (for claims against firms declared in default from 1 April 2018). For more details visit our [Debt Management](#) page.

FSCS is an independent body, set up under the Financial Services and Markets Act 2000 (FSMA), and does not charge individual consumers for using its services.

2. Declaring a firm in default

Before FSCS can pay compensation it must be satisfied that a firm does not have sufficient assets to meet claims. It describes this as being 'in default'. The Scheme will declare a firm in default if:

- it has received at least one claim; and
- it is satisfied that the firm is unable (or likely to be unable) to pay claims against it.

FSCS is required to do this before it can pay compensation to eligible claimants.

Declaring a firm in default allows consumers who believe they may have lost money as a result of their dealings with that firm to apply to the Scheme.

3. Authorised firms

Dealing with a Financial Conduct Authority (FCA) or Prudential Regulation Authority (PRA) authorised firms gives consumers access to the Financial Ombudsman Service (FOS) and FSCS. Consumers can check that the firm they are dealing with is authorised by using the FCA's Financial Services Register found here: <http://www.fca.org.uk/firms/systems-reporting/register>

4. Broadcast media

An ISDN line is available if you are interested in arranging a radio interview with FSCS's CEO or a member of the Executive Team. Please get in touch with our public relations team publicrelations@fscs.org.uk to arrange a suitable time and date.