

**FSCS DETERMINATION INSTRUMENT 2015** Coastal Credit Union Limited

1. Using its powers in the Financial Services and Markets Act 2000 ("FSMA"), the Prudential Regulation Authority ("PRA") made compensation rules in the Depositor Protection part of the PRA Rulebook (the "Depositor Protection rules") providing the Financial Services Compensation Scheme Limited ("FSCS") with specific rights and obligations against firms in default and third parties.
2. On 9 August 2016, the court made an administration order against Coastal Credit Union Limited ("the credit union") and, as a result, the credit union is in default for the purposes of the Depositor Protection rules from that date.
3. FSCS is making this determination instrument under Rules 28.1 to 28.5 of the Depositor Protection rules.
4. This instrument is made and takes effect on 9 August 2016 and is in respect of the credit union and all eligible depositors with the credit union as at 9 August 2016.
5. FSCS determines that payment of compensation by it shall have the following effects:
  - i. Pursuant to Rule 28.2(1) of the Depositor Protection rules, FSCS shall immediately and automatically be subrogated to all of the rights and claims in the UK and elsewhere of the compensation recipient against the credit union and/or any third party (whether such rights are legal, equitable or of any other nature whatsoever and in whatever capacity the credit union or third party is acting) in respect of or arising out of the compensation recipient's deposits being unavailable;
  - ii. Pursuant to Rule 28.2(2) of the Depositor Protection rules, FSCS may claim and take legal or any other proceedings or steps in the United Kingdom or elsewhere to enforce such rights in its own name or in the name of, and on behalf of, the compensation recipient or in both names against the credit union and/or any third party; and
  - iii. Pursuant to Rule 28.2(3) of the Depositor Protection rules, the subrogated rights and claims conferred on FSCS shall be rights of recovery and claims against the credit union and/or any third party which are equivalent (including as to amount and priority and whether or not the relevant DGS member is insolvent) to and not exceed the rights and claims that the compensation recipient would have had.
6. The payment of compensation by FSCS will be subject to the FSCS's Deposit Payment Terms, which are available online at <http://www.fscs.org.uk/deposit-payment-terms> and on request from FSCS.
7. FSCS reserves the right to amend, remake, or revoke these determinations at any time as permitted by Rule 28.4(5) of the Depositor Protection rules.
8. Unless defined in this determination, all expressions used which are also defined terms in the PRA Rulebook Glossary shall have the same meaning as given to them in that glossary.

The Executive is authorised by FSCS's Board to decide whether, and to what extent, FSCS should use the powers under Chapter 28 of the Depositor Protection rules in respect of credit union defaults arising on or after 1 January 2011.

This Determination agreed on behalf of the Executive by:

..... *As per* 9/8/16 3:48 p -

**Signature, Date & Time**