News from the Financial Services Compensation Scheme

outlook

November 2013

fscs
Financial Services Compensation Scheme

Compensating consumers since 2001

CLAIMS AND COMPENSATION

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CHIEF EXECUTIVE'S STATEMENT

Mark Neale, Chief Executive

FSCS exists to protect consumers when financial services businesses fail. In doing so, we underpin consumer confidence and, in turn, the take up of financial products. This means we have a dual accountability: both to millions of consumers who rely on our services, but also to our levy payers. That is why we update the industry on how we are performing at key touch points throughout the year.

So mid-way through the financial year is always an excellent point to stop and reflect, while also providing our latest projections for the coming months.

It is inherent in FSCS's work that we deal with unforeseen failures. The pay-as-you-go basis on which we are funded means that these failures can then result in the need to raise interim levies. 2013/14 has seen us deal with a number of failures which had not crystallised when we settled our annual levy in April. We update on these in this edition of Outlook. One of the more high profile was that of Catalyst Investment Group Limited, which the Financial Conduct Authority (FCA) declared in default in October 2013.

Catalyst had a key role in promoting funds backed by ARM Asset Backed Securities SA, which have been suspended since 2011. The default declaration means FSCS is now able to consider claims against the firm in relation to the ARM funds.

Although this will come as a great relief for the many consumers who invested in those bonds, this means we expect to raise an interim levy on investment intermediaries.

I appreciate that the interim levy will not be welcome news for our levy payers but it does reflect the need to safeguard consumers against the risk of mis-selling by often poorly capitalised intermediaries. You can read my further comment on this issue in my October industry blog.

The volatility of our levies under the current pay-as-you-go system also underlines why FSA took steps to dampen this unpredictability by moving to a 36 month funding model. In our last Outlook, we outlined our proposed approach to the 36 month calculation and we will be implementing this model as of 1 April 2014. In the New Year, we will set out to the industry our operational approach. Full details can be found on our website and we will provide updates in future editions of Outlook.

The counterpart of our work to protect consumers is our obligation, as creditor, to pursue recoveries from the estates of failed firms and providers and third parties which shared responsibility for failures or for mis-selling. You will find more information about the latest recoveries developments on page 13.

A significant and demanding part of our work on this front centres on the bank failures of 2008. FSCS had outstanding loans from HM Treasury of £16.7bn and

> “The volatility of our levies under the current pay-as-you-go system also underlines why FSA took steps to dampen this unpredictability by moving to a 36 month funding model”

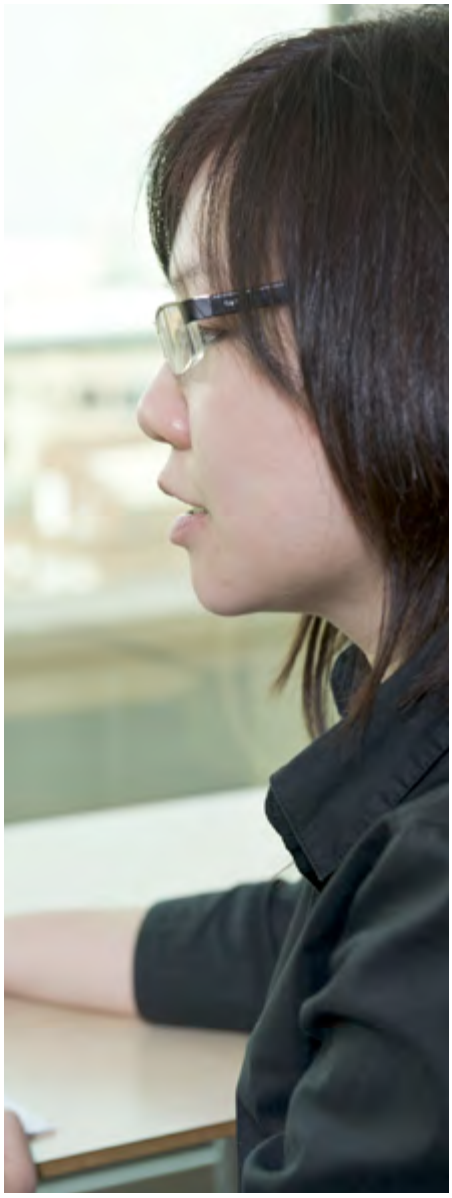
corresponding interests in the estates of Bradford & Bingley, the Icelandic Banks and London Scottish. FSCS is very active in pursuing and protecting its rights as creditor. We are closely engaged in on-going processes with respect to the realisation of value from the estates of the Icelandic banks. FSCS is also appraising the continued run off of Bradford & Bingley to review the future engagement with that estate. We regularly report progress to the Building Society Association (BSA) and British Bankers' Association (BBA).

As we said in our annual report, on Dunfermline Building Society (DBS), HM Treasury and FSCS have now received and accepted the report of the independent valuer setting out the recoveries FSCS would have expected to receive had the whole building society been put into insolvency. FSCS's contribution to the authorities' costs of resolution cannot exceed the net cost to FSCS of an insolvency and we are working with HM Treasury to agree the cap to that cost. The final amount, and timing, of FSCS's liability will only be clear when the actual costs of resolving Dunfermline are known. Meanwhile, HM Treasury has intimated that it will request an interim payment from FSCS towards the costs of resolution – likely to be about £100m, payable early next autumn, with the usual bank legacy costs levy cycle.

We are continuing to make steady progress with phase two of the consumer awareness programme, and our latest research indicates the strategy is working. However, FSCS cannot single-handedly achieve the desired levels of awareness, so a collaborative effort with the industry will realise the greatest impact. We are grateful to the industry for their continued efforts in supporting our campaign. In fact the research shows how effective the stickers and posters in deposit takers' branches can be – which may provide valuable lessons for other sectors.

We have also made great strides in our awareness work with credit unions. A number of their leading trade bodies have agreed to adopt the FSCS deposit training module to help their staff and volunteers inform members about our protection. We have already had great success with this across many major banks and building societies.

Meanwhile in the wider world, the European Union authorities are negotiating the text of the Deposit Guarantee Schemes Directive and the Bank Resolution and Recovery Directive, both of which can be expected to impact on FSCS. We are liaising with the UK authorities on the drafts. At home, the UK Government has announced important amendments to the Banking Reform Bill which is now going through Parliament. We continue to have on-going discussions with the Government about how resolution will work in practice and remain very central to these discussions because of the unique perspective and expertise that FSCS has when large banks or financial businesses fail.



LEVY UPDATE

● = Lower risk ● = Medium risk ● = Higher risk

Funding indicators for six months to 30 September

Class	Status August 2013	Status November 2013	Comments
Deposits	●	●	Reduced credit union compensation costs.
General Insurance Provision	●	●	Reduced compensation for BAI and Lemma.
General Insurance Intermediation	●	●	Reduced PPI costs.
Life & Pensions Intermediation	●	●	These figures exclude TailorMade Independent Ltd. The funding class is amber as the firm has entered liquidation. FSCS cannot yet confirm if any valid claims exist but if there are, then they are expected to be for this class.
Investment Intermediation	●	●	Increased compensation costs for CF Arch Cru, plus the costs of Catalyst and Fyshe Horton Finney. An interim levy in 2013/14 is highly likely.

Compensation Update

In our Plan and Budget 2013/14, we projected total compensation costs forward to 30 June to reflect the fact that our annual levy only becomes payable from July. In effect, the element of our levy which covers compensation costs is based on a 1 July to 30 June year. Therefore compensation costs that arise in the first quarter of the 2014/15 financial year will be covered by the annual (and if necessary) interim levies we raise in 2013/14.

As outlined in the table above we now expect to incur higher compensation costs than we estimated in relation to the investment intermediation class as a result of the failures of Catalyst Investment Group Limited and Fyshe Horton Finney, and increased compensation costs for CF Arch Cru. We may also incur higher compensation costs in the life and pensions intermediation class following the liquidation of TailorMade Independent Limited, but these remain uncertain.

Because of these higher costs, it is likely that we will have to raise an interim levy this year against one or both of these classes, although we will not take a final decision until later in the financial year. Our current projection is that we may face a deficit of about £30m on investment intermediation, while we currently project £1.9m in surplus in the life and pensions intermediation class before the next levy becomes available in 2014/15.

General Insurance Provision

General Insurance Provision	Annual Forecast 2013/14 £m	Budget 2013/14 £m	Variance £m	Interim Levy Indication August 2013	Interim Levy Indication November 2013
B/Fwd from 2012/13	23.6	4.1	19.5		
Claims	(104.8)	(118.5)	13.7		
Recoveries	5.3	5.4	(0.1)		
Mgmt Expenses	(4.7)	(5.4)	0.7		
Levies	114.7	115.0	(0.3)		
Surplus/Deficit	34.1	0.6	33.5		

Lemma Europe Insurance Company Limited (Lemma)

Lemma is registered in Gibraltar but provided domestic and commercial property and liability insurance in the UK. The firm had traded in the UK since January 2008 but the regulator in Gibraltar removed its permissions in August 2012. Partners in Grant Thornton were appointed as the provisional liquidators by the Supreme Court in Gibraltar in September 2012.

FSCS declared Lemma in default in October 2012 and we have been working with liquidators and their agents to manage the run-off of insurance claims against the firm. We have protected 288 policyholders, a number of which had more than one claim. To date, we have paid 386 claims and paid out £2.4m.

Municipal Mutual Insurance (MMI)

We continue to work with the Scheme Administrator to agree the process for protecting eligible policyholders. The firm is continuing to handle and pay all protected claims in full and will only seek reimbursement from FSCS for the protected portion of those claims. Policyholders will be required to complete FSCS eligibility forms to establish entitlement to protection but in other respects those protected policyholders should experience the same level of service from the firm that they enjoyed prior to the Scheme Administrator triggering the Scheme of Arrangement.

We expect to make our first payments to the firm in the third quarter of 2013/14.

Balva

We are monitoring this Latvian firm which from November 2011 was 'passported' into the UK for various classes of insurance provision.

The firm, with the agreement of its shareholders and the Latvian regulator has appointed a liquidator to assess its financial position. The liquidator has three months from 12 August 2013 to report his findings and at that point a decision will be made by the regulator on whether a solvent run off of the firm can be achieved.

> “In order to improve efficiency and value for money, we are continuing to review our procedures”

General Insurance Intermediation

General Insurance Intermediation	Annual Forecast 2013/14 £m	Budget 2013/14 £m	Variance £m	Interim Levy Indication August 2013	Interim Levy Indication November 2013
B/Fwd from 2012/13	2.4	0.2	2.2	^	v
Claims	(42.3)	(44.7)	2.4		
Recoveries	-	-	-		
Mgmt Expenses	(9.8)	(9.5)	(0.3)		
Levies	53.9	54.0	(0.1)		
Surplus/Deficit	4.2	0.0	4.2		

Payment protection insurance (PPI)

FSCS continues to receive high volumes of payment protection insurance (PPI) mis-selling claims. Claims management company (CMC) activity in this sector remains high, accounting for around 70% of the claims we receive. In 2013 we received more than 6,700 claims, with an uphold rate of about 80% and an average pay out of £4,600.

In order to improve efficiency and value for money, we are continuing to review our procedures. Additionally, we are working with the Financial Ombudsman Service (FOS) to prepare for any defaults that arise because firms subject to PPI complaints are unable to meet their liabilities

Welcome Financial Services Limited

The FSCS has completed a total of 76,000 claims by the end of September 2013 against Welcome Financial Services Limited (WFSL). Although all known PPI customers were mailed application forms by the end of December 2011, we still continue to receive a steady number of forms from both CMC's and individuals. The percentage of claims upheld has remained constant at 95%.

To date we have paid a total of £132m in compensation which is made up of £57.6m cash compensation and £74.4m offset against outstanding loan liabilities with the firm. This money remains within the original provision of funds from WFSL and means that no payments have been required from the FSCS industry levy.

Life and Pensions Intermediation

Life and Pensions Intermediation	Annual Forecast 2013/14 £m	Budget 2013/14 £m	Variance £m	Interim Levy Indication August 2013	Interim Levy Indication November 2013
B/Fwd from 2012/13	21.2	19.4	1.8	^	^
Claims	(28.7)	(28.3)	(0.4)		
Recoveries	-	-	-		
Mgmt Expenses	(3.4)	(4.0)	0.6		
Levies	12.8	13.0	(0.2)		
Surplus/Deficit	1.9	0.1	1.8		

TailorMade Independent Limited

TailorMade Independent Limited entered creditors' voluntary liquidation on 15 October 2013. Paul Finnity and Dilip Dattani of Baker Tilly have been appointed joint liquidators. We are liaising closely with the firm and its liquidators to understand what the failure of the firm might mean for clients. We cannot confirm at this stage whether claims for compensation may exist and will be in a position to provide more information once we finish our investigations.

Investment Intermediation

Investment Intermediation	Annual Forecast 2013/14 £m	Budget 2013/14 £m	Variance £m	Interim Levy Indication August 2013	Interim Levy Indication November 2013
B/Fwd from 2012/13	7.6	0.9	6.7		
Claims	(136.5)	(64.7)	(71.8)		
Recoveries	35.0	-	35.0		
Mgmt Expenses	(13.4)	(14.2)	0.8		
Levies	77.8	78.0	(0.2)		
Surplus/Deficit	(29.5)	0.0	(29.5)		

Catalyst Investment Group Limited ("Catalyst")

On 4 October 2013, the FCA announced that it had declared Catalyst in default. The FCA also announced that it had taken enforcement action against Catalyst, and three of its current and former directors.

Catalyst had a key role in promoting funds backed by ARM Asset Backed Securities SA, which have been suspended since 2011. The default declaration means FSCS is now able to consider claims against the firm in relation to the ARM funds.

This follows an investigation by FSCS and the FCA to establish the extent to which Catalyst may be liable for investors' claims. Following an analysis of the financial promotions, we believe that Catalyst is liable for losses in many cases.

FSCS has also considered further the potential liability of financial advisers, including Rockingham Independent Limited, in relation to advice they gave their customers to invest into ARM funds. Whilst there may be limited circumstances in which financial advisers will be liable for investor losses, in light of the default of Catalyst, FSCS will handle investors' claims against Catalyst first.

FSCS is currently finalising its claims process and gathering the data it will need to process claims against Catalyst. We expect to complete this work this month. We will then confirm the process for making a claim with FSCS against Catalyst. FSCS expects to start processing individual compensation claims and making payments to eligible claimants by the end of December.

We expect compensation costs to run into the tens of millions of pounds, but are not yet in a position to offer a more precise forecast. We expect these costs to span the 2013-14 and 2014-15 levy years.

> “FSCS is currently finalising its claims process and gathering the data it will need to process claims against Catalyst. We expect to complete this work this month”

Fyshe Horton Finney Limited

FSCS is working closely with the joint special administrators of Fyshe Horton Finney Limited following the firm being placed into special administration. We have now started to make compensation payments to eligible claimants.

Clients holding one account with an agreed total balance below £50,000 who have signed and returned their claim agreement form to the special administrators have had their funds returned direct without the need for them to provide FSCS with an application form.

For other identified clients, an Application Form was issued for completion and returned for FSCS to deal with their claims. These clients will need to have agreed their balances with the special administrators before we can pay compensation to those who are eligible.

To date we have processed over 2,000 claims.

Pritchard Stockbrokers Limited

Pritchard Stockbrokers Limited was a stockbroker on an advisory, execution only and discretionary basis. This was the third investment firm that entered into the special administration regime (SAR). The majority of claims relate to a ‘return of funds’. These were pooled client funds held on behalf of clients by the firm.

Claims are still being received although in low volumes and we now have fewer than 40 claims to complete. The uphold rate is approximately 90% and average compensation paid is around £4,000 per claim.

CF Arch Cru Funds

FSCS continues to process claims in relation to advice given by defaulted IFAs to invest into CF Arch Cru funds, including claims against IFA firms which have failed this year. FSCS calculates compensation due to investors with eligible claims in accordance with the consumer redress scheme launched by the FCA in April 2013. Under the consumer redress scheme FSCS follows the approach set by the FCA to compare the value of an eligible claimant’s CF Arch Cru Funds investment with the value of a suitable alternative investment.

Worldspreads Limited

WorldSpreads Limited specialised in Contracts for Difference (CFD) and spread betting and had a number of overseas branches.

This default appears to be nearing its end with claims being received in very low volumes and fewer than five claims remaining where an application for compensation has been received and a decision is to be issued. The uphold rate has remained at 80% with average compensation of just over £7,000 per claim.

MF Global Limited

This was the first firm to be placed into default under the special administration regime (SAR). We continue to receive claims in low volumes with around 60 claims remaining where an application for compensation has been received and a decision is to be issued.

We have continued to work closely with the special administrator and have resolved a number of issues during the year. A number of claimants are now known to be due a top-up payment and we are now in the process of arranging for these payments to be issued.

Deposits

Deposits	Annual Forecast 2013/14 £m	Budget 2013/14 £m	Variance £m	Interim Levy Indication August 2013	Interim Levy Indication November 2013
B/Fwd from 2012/13	15.8	14.5	1.3		
Claims	(4.4)	(7.5)	3.1		
Recoveries	-	-	-		
Mgmt Expenses	(16.6)	(13.5)	(3.1)		
Levies	7.0	7.0			
Surplus/Deficit	1.8	0.5	(1.3)		

In addition to the above, the deposit class makes levy payments in respect of the legacy failures where FSCS has outstanding loans with HMT. The balances on each loan as at 30 September 2013 and the interest accrued up to that date are set out below:

Loan in respect of:	Adjusted principal outstanding at 30.9.13 £m	Interest accrued for 2013/14 £m
Bradford & Bingley Plc	15,654.5	193.0
Landsbanki Islands hf - Icesave	470.8	6.8
Kaupthing Singer & Friedlander Limited	394.2	5.3
Heritable Bank Plc	20.4	0.9
London Scottish Bank plc	118.0	1.5
Total	16,657.9	207.5

The amounts above have been adjusted to reflect a capital repayment of £363m made by FSCS on 1 October 2013.

As detailed in our Industry News release of 10 May 2013, FSCS is charged interest on each of the above loans based on the higher of a LIBOR-based amount and the relevant gilt rate notified by the Debt Management Office (DMO). For the Bradford & Bingley loan, the DMO rate has been used for the last 11 months. Because of the size of the loan, a relatively small change in interest rates can have a significant effect on the amount payable.

2013/14 Levy Split between Compensation and management expenses

Year 2013/ 2014	Sub - class/ Fee Block		Annual Levy			Bank Legacy Failure Levy	Total Levies Announced in the Year			
			Compensation Costs £m	Management Expenses £m	Total £m	Total £m	Compensation Costs £m	Management Expenses £m	Total £m	Levy Thresholds £m
	SA01	Deposits	(5.8)	12.8	7.0	791.0	785.2	12.8	798.0	
	SB01	General Insurance Provision	110.7	4.3	115.0		110.7	4.3	115.0	
	SB02	General Insurance Intermediation	(0.2)	0.2	0.0		(0.2)	0.2	0.0	
	SC01	Life & Pensions Provision	43.8	10.2	54.0		43.8	10.2	54.0	
	SC02	Life & Pensions Intermediation	10.2	2.8	13.0		10.2	2.8	13.0	
	SD01	Investment Fund Management	(0.1)	0.1	0.0		(0.1)	0.1	0.0	
	SD02	Investment Intermediation	59.4	18.6	78.0		59.4	18.6	78.0	
	SE02	Home Finance Intermediation	0.7	(0.7)	0.0		0.7	(0.7)	0.0	
		Base Cost		18.0	18.0		0.0	18.0	18.0	
	TOTAL		**218.6**	**66.4**	**285.0**	**791.0**	**1,009.6**	**66.4**	**1,076.0**	

Financial summary for six months to 30 September

Management Expenses	YTD Actual £m	YTD Budget £m	2013/14 Forecast £m	2013/14 Budget £m
Continuing Operations	13.2	15.6	28.5	30.9
Outsourcing	5.8	6.0	13.7	12.5
Total Continuing Operations	**19.1**	**21.6**	**42.2**	**43.4**
Strategic Change Portfolio	3.6	9.5	16.4	18.0
Total Operations and Investment Expense	**22.7**	**31.1**	**58.6**	**61.4**
Financing & Major Recoveries Expenses	4.7	6.6	11.8	13.1
Total Management Expenses Levy	**27.4**	**37.7**	**70.3**	**74.6**

Year to date (YTD)

Continuing operations expense has fallen by £2.4m. This is mainly because costs associated with certain projects such as the electronic payout solution were not incurred in the first half of the year. This is further impacted by additional savings within other areas of operations. The scheme is also running with a small number of staff vacancies in the first six months.

Outsourcing costs are slightly lower than expected by £0.2m despite new defaults taking place that were not in the budget. These additional costs have been offset with savings from a retender of one of the outsourcing contracts at the start of the calendar year.

Projects to enhance our capabilities, known internally as Change Programmes, have seen budget savings of £5.9m. This is principally because the Connect programme commenced Phase 2 later than predicted. A number of other new initiatives have been phased into the latter part of the financial year due to resource commitments.

Financing and major recoveries expenses are below expected by £1.9m. Again this is because of changes in the phasing of activity surrounding these differing from the budget expectations.

Full year 2013/14

We expect that the Scheme's total operations and investment expense will finish at £58.6m for 2013/14, which is £2.8m below the budget. This is because of savings in the electronic payout solution monthly costs. Full year savings on the Single Customer View pilot programme and other project spends being phased into the next financial year are due to programme commence dates moving later in this financial year.

RECOVERIES

Keydata Investment Services Limited

FSCS's court proceedings against a large number of IFA firms in connection with the sale of Keydata Investment Services products are still continuing. To date, FSCS has settled claims with a number of defendants for a variety of reasons, the terms of which are confidential. The remaining parties are still subject to the legal proceedings and, as FSCS remains confident of its position, we will continue to pursue the claims through the court process.

Since the case management conference in the Lifemark and SLS proceedings in March, FSCS has selected six lead case defendants (LCD) to advance defences in relation a number of lead cases, which will give a representative set of investor claims to be heard by the court. Based on the current timetable, LCDs' defences are expected shortly (one defence has already been filed). Proceedings are stayed against all defendants not selected to be LCDs and a further case management conference is scheduled for February 2014.

Lifemark

Our involvement in the issues arising from the failure of Lifemark S.A. is drawing to a conclusion following the enforcement of the security held over Lifemark S.A's assets by the trustee on behalf of its creditors. The trustee has publicly confirmed that total bondholder returns, before the costs of distribution through Keydata Investment Products Nominees Limited, will range from 12% to 15% of the capital invested. The Trustee has made payments (before Keydata costs) on account to bondholders, including FSCS, of 8.5% of the capital invested.

Following receipt of these recoveries, FSCS has completed distribution of a portion of these recoveries to the majority of Lifemark claimants with compensatable losses over £30,000 and whose claims were assigned to FSCS. However, further balancing payments are expected to be made during the course of November. Please see our recent news update for further information. Following the completion of that exercise, FSCS expects to be in a position to allocate recoveries received to date as between the affected levypayer classes (investment fund management and investment intermediation) during December 2013.

The recoveries received from Lifemark will ultimately fall some way short of the original investment value, but will be substantially higher than would otherwise have been the case without FSCS's intervention.

Major bank defaults

On recoveries, the position for Bradford & Bingley remains that the company expects to repay the FSCS claim in full, albeit not for some years. We have received good levels of interim recoveries in the administrations of Kaupthing Singer & Friedlander Limited and Heritable Bank PLC (recoveries to date now total 79% and 93.9% of the original compensation amount respectively). We have also received dividends totalling 35.1% from London Scottish Bank PLC, and have received a first dividend of 45% on Southsea Mortgage and Investment Company Limited. We have now recovered about 54% of the claim in the winding up of Landsbanki Islands hf.

Dunfermline Building Society

Following the resolution of Dunfermline Building Society in March 2009, HM Treasury appointed Ian Burns as the independent valuer pursuant to s.214D(3) of the Financial Services and Markets Act 2000 and the statutory regulations. The valuer issued a report and determination dated 31 July 2012, and we published the determination notice on the FSCS website.

We have also now published the Reconsideration and Report dated 30 April 2013. After review of the Reconsideration and Report, FSCS decided not to refer the matter to the Upper Tribunal. We are working with HM Treasury to finalise the process for FSCS's contributions to the authorities' costs of resolution. HM Treasury intimated that it will request under the Regulations an annual interim payment of £100m, to be collected with the annual bank legacy costs levy each September, starting in 2014/15. This year's legacy bank failure levy was £791m, so that with this the additional amount, the total is likely to remain well under the annual threshold of £1.5 billion.

INTERNATIONAL

European Forum of Deposit Insurers Annual General Meeting

FSCS participated in the European Forum of Deposit Insurers' (EFDI) Annual General Meeting in September. The focus was on the roles of deposit guarantee schemes in promoting consumer protection and stability. There were a number of international speakers, including from the Bank of England; European Banking Federation; European Stability Mechanism; and the European Banking Authority. EFDI's main purpose is to contribute to the stability of financial systems by promoting European and International co-operation in the field of deposit insurance, crisis resolution, and investor compensation. It also facilitates discussion and exchange of expertise and information on issues of common interest and concern.

International Association of Deposit Insurers Annual General Meeting

The annual general meeting for the International Association of Deposit Insurers (IADI) took place in early November, attended by FSCS, The annual conference focused on "Navigating the reform landscape". IADI was established to enhance the effectiveness of deposit insurance systems worldwide by promoting guidance and international cooperation.

International Forum of Insurance Guarantee Schemes.

FSCS is a founding member of International Forum of Insurance Guarantee Schemes (IFIGS), formally established in October 2013. IFIGS' objectives are to promote the sharing of information and expertise between insurance guarantee schemes.

BUILDING CONFIDENCE THROUGH AWARENESS

FSCS continues with phase two of its consumer awareness programme. The programme continues to emphasise the protection that FSCS provides to consumers, specifically focusing on providing reassurance on deposit protection.

Launched in January 2013, this 15-month phase includes radio, press and digital advertising, along with supporting PR and stakeholder activity. Overall, we are aiming to reach those 'in need of help' and estimate that this phase of the programme will reach 88% of that target audience.

Awareness of a protection scheme has seen a steady increase and now stands at 54 per cent of consumers being aware. We also found that three in ten consumers are aware of the consumer awareness programme (up from 2.5 three months ago). In addition, total awareness of FSCS (prompted and unprompted) is 66%. Furthermore, we know that the in-branch materials are increasing the numbers of consumers being aware of a protection scheme by 15% of the total population.

In October, we launched an FSCS protection checker on the campaign microsite www.fscs.org.uk/protected. This online tool is a 'one stop shop' for consumers. It allows them to check whether their savings are with authorised firms, have tripped the £85,000 limit and also alerts them when a licence is shared. The protection checker is a collaboration between FSCS, FCA and PRA.

This summer, we introduced two new press advertisements and updated our radio advertising. We are also continuing our themed work and in October published a number of sponsored editorials in the Daily Mail, Mail on Sunday and Metro newspapers, as well as podcasts on Absolute radio. All were focused on saving when consumers are considering property purchase or upgrades. In November, we repeated this process, but this time themed around those saving for weddings. We continue to develop and monitor our programme.

Stakeholder engagement

The success of our consumer awareness programme depends on continuing active support from authorised financial firms. Awareness of FSCS helps to restore confidence in financial products and providers and therefore contributes to confidence in the market overall.

Our industry stakeholder management work is on-going and continues to amplify the effect of the FSCS paid-for advertising campaign. Some examples of this include:

- Barclays featured the FSCS logo in the advertising for ISA season in a heavyweight press and online campaign.
- Nationwide featuring the FSCS logo in a heavyweight press campaign for its accounts
- RBS/Natwest featured the FSCS logo in their mailshot to c.4 million customers

Credit unions adopt FSCS training module to help build customer confidence

A number of leading credit union trade bodies agreed to adopt an FSCS training programme to help their members' front-line staff and volunteers to inform members about FSCS protection for their savings. The training package has been provided by FSCS as part of its programme to raise awareness about the protection which exists for credit union members in Great Britain and Northern Ireland.

The trade bodies represent over 500 credit unions, which serve more than one million customers and hold more than £100m in savings and deposits.

The Association of British Credit Unions Ltd (ABCUL), ACE Credit Union Services, the Irish League of Credit Unions (ILCU – for their Northern Irish members), the Scottish League of Credit Unions (SLCU), UK Credit Unions Ltd (UKCU) and the Ulster Federation of Credit Unions have all confirmed they intend to encourage their members to take the training.

The training supports the introduction of regulatory disclosure requirements from 12 months ago. These compel banks, building societies and credit unions to display posters and stickers in their branches about FSCS.

Contact us:
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Please include your name and address with any messages sent