Hello,

welcome to the latest news update from FSCS.

Correct channels

This is a reminder to use the correct channel so we can answer your query or progress a claim. Using the wrong channel slows down claim progress and makes it more difficult for us to give you the right answers.

The Contact us web page will direct your query to the correct place.

Late scheme interest

Some customers have been receiving payments that slightly vary from the figures on the calculation page or confirmed in the letter. In most circumstances the difference is a few pounds or less and is due to the application of Late Scheme Interest (LSI). We've resolved the issue, so the amount in the letter and the amount the customer received will be the same.

We apply "Late Scheme Interest" where the quantification date is not the current (today's) date, but in the past. This is typical of some share type claims where the transaction history relates to a historical date.

In these circumstances, we apply interest to the calculation to avoid disadvantaging the customer. Historically, no interest was applied as the effective interest rate was 0%. However, from April 2019, this rate has increased to 0.75%. As it's applied at the payment date and not at the claim assessment date, the letter sometimes didn't reconcile with the payment.

Application summary uploads reminder

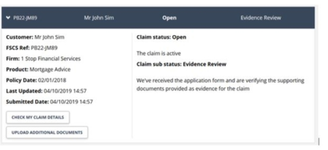
Another reminder that the **full document** needs to be downloaded, printed and sent to the customer for signing and dating. It must then be returned to us for upload in its entirety. **Do not split the form! Under no circumstance should a CMC or solicitor be signing this paperwork on behalf of a customer.**

Online improvements

You'll continue to see changes to the Online Claim Service as we make ongoing improvements.

The next improvement to go live will be Status Updates.

Towards the end of November, we'll be looking to update the design of the claim status panel (example of the current design below). The update will provide more detail to some of the claim statuses, so you will know what's happening at different points on the claims journey. This should make updating customers easier.



Process update for nil value funds and additional top-up payments

We've a new process around those claims where a top up payment may be due following an interim compensation payment.

When we discover a fund value has changed to zero, we'll collate a list of affected claims and re-calculate them. This will include claims where payment has been less than the maximum compensation, or where the original calculation resulted in no loss.

A small sample of claims will be investigated first to find out if any more information is needed to perform a re-calculation. When we've completed these sample claims we'll write to all the remaining customers and representatives to confirm that we'll be re-opening their claim - there's no need to conatct us, as we'll contact you.

Claims will be reopened in batches, oldest first, unless we know of vulnerable or priority customers, who'll be dealt with first. We expect to complete batches in three months, but it could take longer depending on the volume and complexity of claims.

We'll also be setting up a page on our website that will list funds where the value has been changed to zero, and hence we're re-calculating.

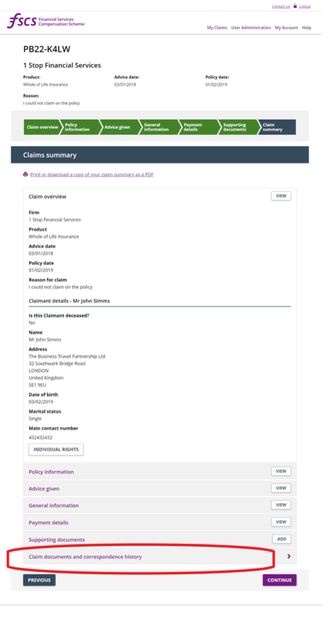
Avalon Investments Services Ltd update

We are finalising our approach regarding Avalon Investments Services Ltd. We are getting Embark (the SIPP provider who bought Avalon) to provide customer information before these claims go to our operational teams. As it's been some time since the start of our investigation, some of the LOAs that customers signed are out of date. Any LOA that is more than 6 months old needs to be updated so that the claim can be processed.

If you've got any claims that fall into this category, please provide a new LOA as soon as possible. It will make the process quicker when we come to assess these claims, and you'll avoid getting lots of individual requests from us.

Visibility of claim correspondence online

We have identified that the functionality that should allow you to see and download any correspondence associated with a claim is not working correctly. (See pic below). We're trying to resolve this as a priority and we will update you we've done so.



Thanks,

The FSCS team

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