



Financial Services
Compensation Scheme

Class Statements 2024/25





Financial Services Compensation Scheme Annual Report and Class Statements 2024/25

For the period 1 April 2024 to 31 March 2025

Presented to the House of Commons pursuant to Section 7 of the
Government Resources and Accounts Act 2000.

Ordered by the House of Commons to be printed on 03 July 2025.

HC 1037 part ii of ii

The Financial Services Compensation Scheme Annual Report and
Accounts (part i) provides details on overall performance and
much more. It was also presented to the House of Commons on
03 July 2025.



© Crown copyright 2025

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at www.gov.uk/official-documents.

If you would like this document in an alternative format, please contact us at www.fscs.org.uk/contact-us/

Any enquiries regarding this publication should be sent to FSCS.

General enquiries should be addressed to:

Financial Services Compensation Scheme

10th Floor

Beaufort House

15 St Botolph Street

London

EC3A 7QU

Email enquiries@fscs.org.uk

Financial Services Compensation Scheme Limited

Company Number 3943048

ISBN 978-1-5286-5508-8

E03311389 07/25

Printed on paper containing 40% recycled fibre content minimum.

Printed in the UK by HH Associated Ltd on behalf of the Controller of His Majesty's Stationery Office.

Contents

01 Chief Financial and People Officer's statement	6
02 Class commentaries	8
FCA classes	9
PRA classes	16
03 Management expenses	21
04 Statement of the directors' responsibilities	23
05 Auditor's report	24
06 Class Statements	28
07 Notes to the Class Statements for the year ended 31 March 2025	30
08 Base costs and related levies at 31 March 2025	34
09 Firm defaults	38

01 Chief Financial and People Officer's statement

I am pleased to introduce our Class Statements. In this report we explain how we allocated the industry's levy payments during the 2024/25 financial year. In 2024/25, we raised an annual levy of £265m* and no supplementary levy or retail pool was required.

During 2024/25, we continued to use our regular publications, firm default updates and trade association meetings to communicate with the industry and keep our levy payers updated.

In May 2024, we announced that, with surpluses carried forward from 2023/24, our levy was £265m. As the compensation we paid out in the previous financial year came in lower than forecast, cash surpluses in several classes were carried forward and used to offset the 2024/25 levy. This included contributions made by provider classes.

Recoveries

In addition to providing customers with a trusted compensation service, helping to raise public confidence in the UK financial services industry, we also have a duty to pursue recoveries that are reasonably possible and cost-effective.

In the 2024/25 financial year, more than £56m was recovered from failed firms. These recoveries helped to reduce the cost of compensation to the financial services industry, and more than £3m of the funds secured were passed on as additional payments to customers who had lost more than our compensation limit (currently £85,000).

Class variations

When compared with 2023/24, the main differences we saw in customer compensation came from the following three classes.

- In the **General Insurance Provision class**, total compensation costs decreased to £134m, from £160m in 2023/24. There were no new firm failures and the majority of compensation related to Chester Street Holdings Ltd, Green Realisations 123 Ltd, Gefion Insurance A/S and BAI Ltd.
- In the **Life Distribution & Investment Intermediation (LDII) class**, total compensation costs decreased to £110m, from £180m in 2023/24. Most compensation was for unsuitable investment, pension and self-invested personal pension (SIPP) advice.
- In the **Investment Provision class**, total compensation costs decreased slightly to £65m, from £81m in 2023/24. Most compensation related to SIPP operator failures.

In the Deposits class, there were three credit union failures. There were no new firm failures in the General Insurance Distribution, Debt Management, Home

* Our levy income, based on International Financial Reporting Standards (IFRS), was £349m, as reported in our 2024/25 Annual Report and Accounts. The levy income is higher than the annual levy raised (£265m) as the levy raised amount excludes cash surpluses from 2023/24, which were used to offset the 2024/25 levy.

Finance Intermediation, or Funeral Plan classes.

Our management expenses (operations costs) were £99m in 2024/25, representing a 0.6% increase on 2023/24. However, our 2024/25 management expenses were under budget for the financial year, and these savings have been applied to the relevant classes.

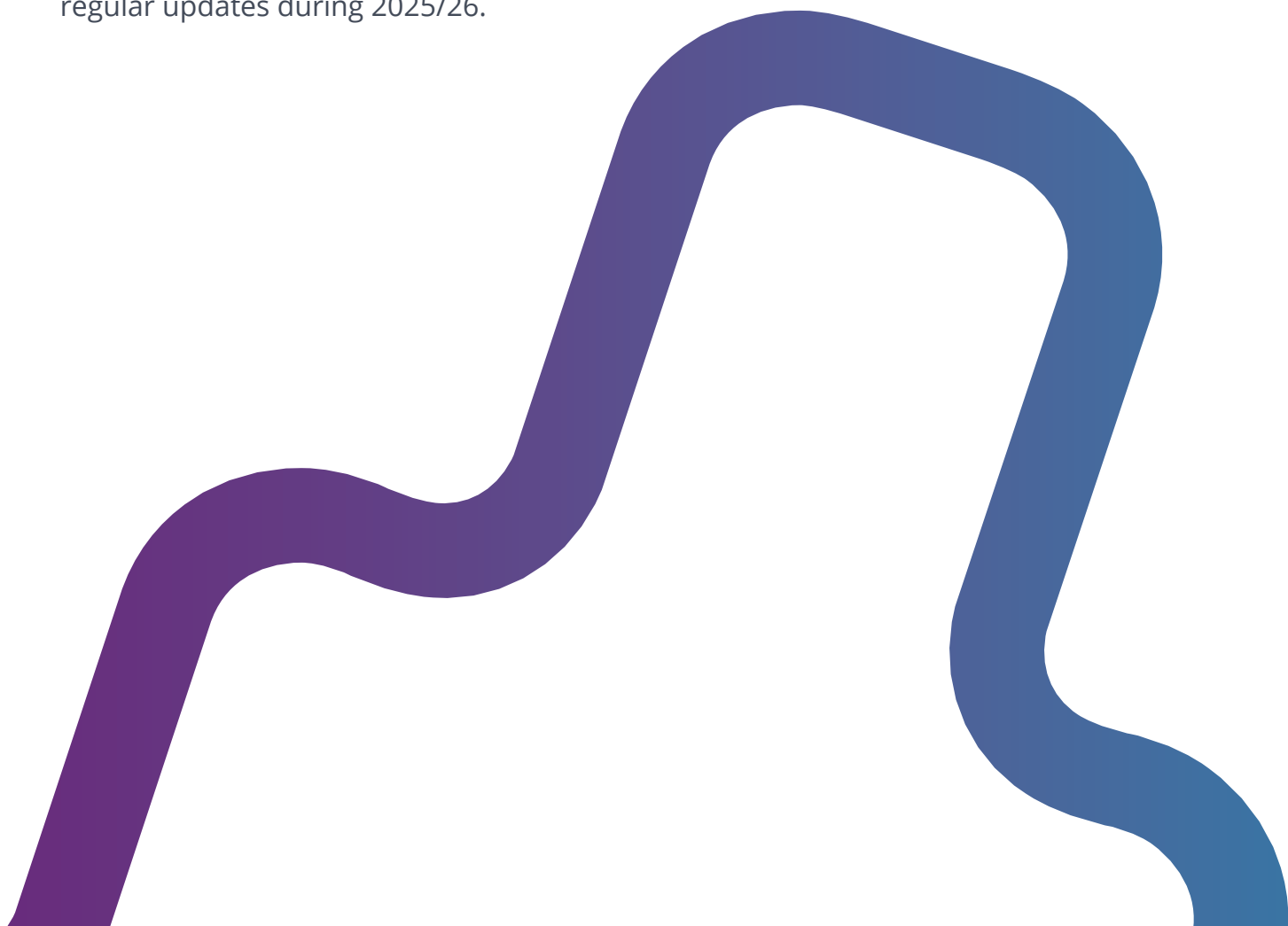


Fiona Kidy
Chief Financial and People Officer
Financial Services Compensation Scheme

Levy forecasting considerations

Surplus balances have now been substantially reduced across all classes and, looking ahead, we do not expect them to offset the levy to the same extent.

As always, we are fully committed to keeping the industry informed about our levy forecasts, and we will be providing regular updates during 2025/26.



02 Class commentaries

Total levies raised for each class

Funding class	2024/25 (£m)	2023/24 (£m)
Financial Conduct Authority (FCA)		
Debt Management	–	(0.5)
Deposit Acceptors Contribution (only pays a levy if the retail pool is triggered)	–	–
Funeral Plans	–	–
General Insurance Distribution	–	–
Home Finance Intermediation	–	(5.0)
Investment Provision	55.0	0.0
Life Distribution & Investment Intermediation	90.0	117.9
Prudential Regulation Authority (PRA)		
Deposits	13.0	4.0
General Insurance Provision	69.0	114.0
Life & Pensions Provision	–	–
Base costs (across all classes)	38.0	39.2
Total	265.0	269.7

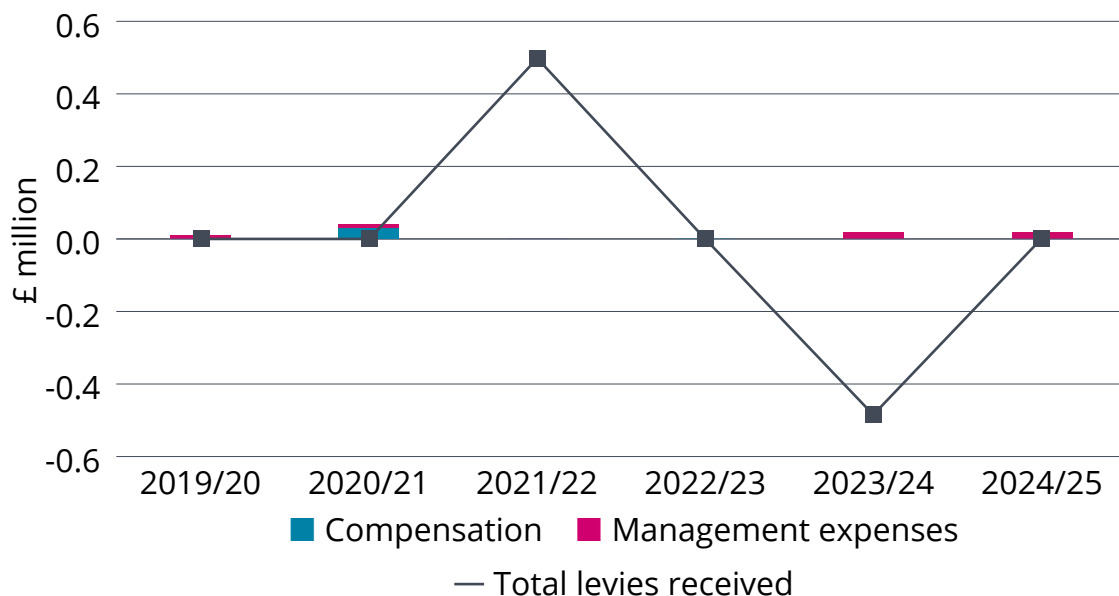
FCA classes

Debt Management

As in the past three financial years, there were no new firm failures for this class during 2024/25. We did not receive any claims or pay out compensation for this class. Consequently, no levies were raised from Debt Management firms during the 2024/25 financial year.

In 2023/24, a £0.5m refund was issued to firms in this class due to surpluses carried over from 2022/23.

Total levies in comparison with compensation and management expenses



Funeral Plans

The Financial Conduct Authority began regulating firms and intermediaries that provide and arrange pre-paid funeral plans from July 2022.

To date, there have been no firm failures, and we have not received any claims against firms within this class. No levies were raised from firms for this class during 2024/25.

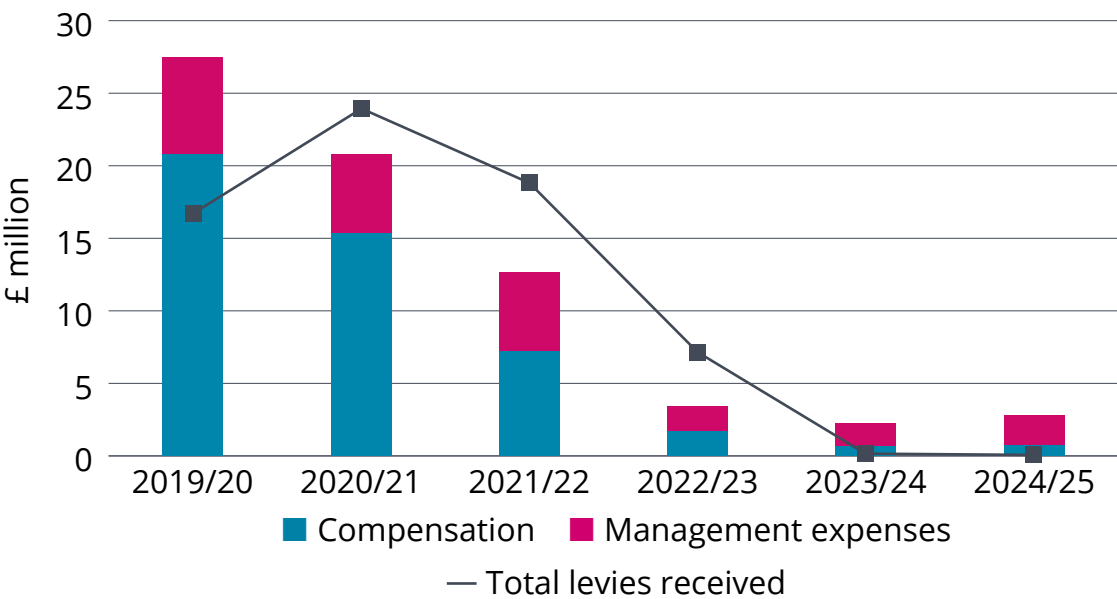
General Insurance Distribution

There were no new firm failures for this class during 2024/25. The compensation that we did pay out was in relation to legacy firm failures, and in total this came to approximately £0.7m. This is a slight increase of £0.1m on the compensation paid in 2023/24.

As in previous financial years, most claims related to payment protection insurance (PPI). More than 75% of the compensation we paid in 2024/25 was for unsuitable advice claims against The Mortgage Matters Partnership, which was declared in default in 2019.

No levies were raised for the General Insurance Distribution class in 2024/25 as surpluses, carried over from 2023/24, met the funding requirements for the year.

Total levies in comparison with compensation and management expenses



General Insurance Distribution	2024/25	2023/24
New claims	322	314
Decisions upheld	171	276
Uphold rate	44%	65%
Average compensation	£4,223	£2,250

Home Finance Intermediation

The total compensation costs for this class were approximately £0.5m in 2024/25. This included approximately £0.4m in compensation for unsuitable mortgage advice claims made against Principal Mortgage Services Ltd, which was declared in default in 2011.

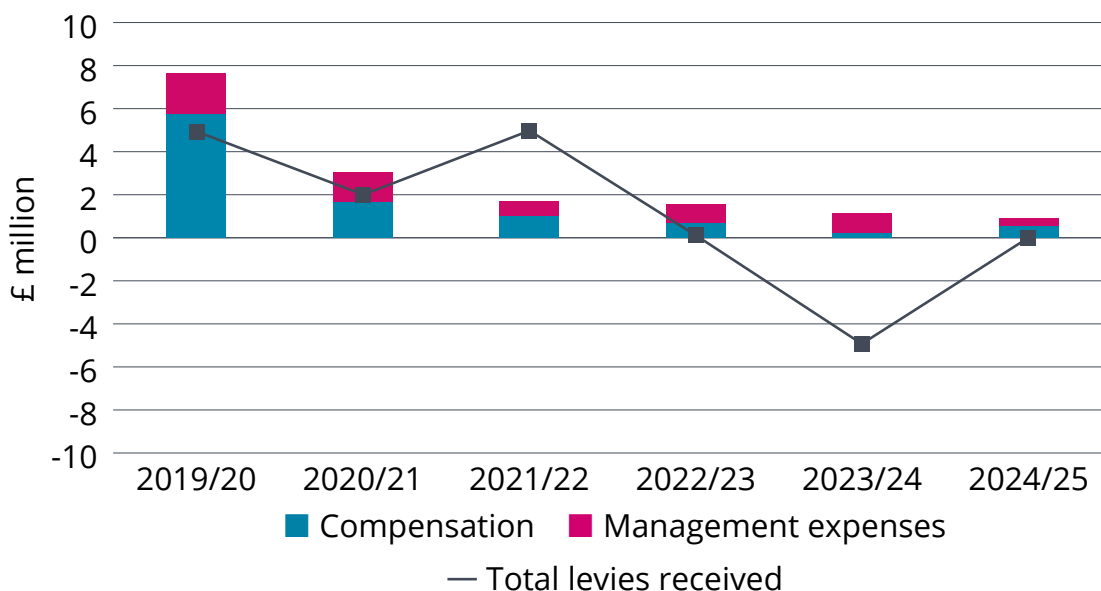
These costs were approximately £0.3m higher than in 2023/24, mainly due to higher average compensation values. The average value per claim increased from £13k to £27k.

No levies were raised from firms in this class in 2024/25 as surpluses, carried over from 2023/24, met the funding requirements for the year.

The Home Finance Providers class pays provider contributions to the Home Finance Intermediation class and contributes to the retail pool levy if required. These contributions were not required in 2024/25.

In 2023/24, a £5m refund was issued to firms in the Home Finance classes due to surpluses carried over from 2022/23.

Total levies in comparison with compensation and management expenses



Home Finance Intermediation	2024/25	2023/24
New claims	90	139
Decisions upheld	20	15
Uphold rate	18%	9%
Average compensation	£27,146	£13,143

What is a firm default?

We can only pay compensation to customers once a firm has been declared in default. This means we have assessed that:

1. there are valid claims against the firm that we can compensate for; and
2. the firm is unable to meet the cost of any claims itself, for example, because it has become insolvent.

'In default' is a technical term, but we may also say that a firm has 'failed'.

What are provider contributions?

Since April 2019, financial service product providers have been required to contribute to approximately 25% of the levies allocated to classes that are associated with their products. This includes:

- Home Finance product providers contributing to the Home Finance Intermediation class;
- Investment Provision, Life & Pensions Provision and Structured Deposits product providers contributing to the LDII class; and
- General Insurance product providers contributing to the General Insurance Distribution class.

For more information, please see: [Levy information](#) | [FSCS](#).

Investment Provision

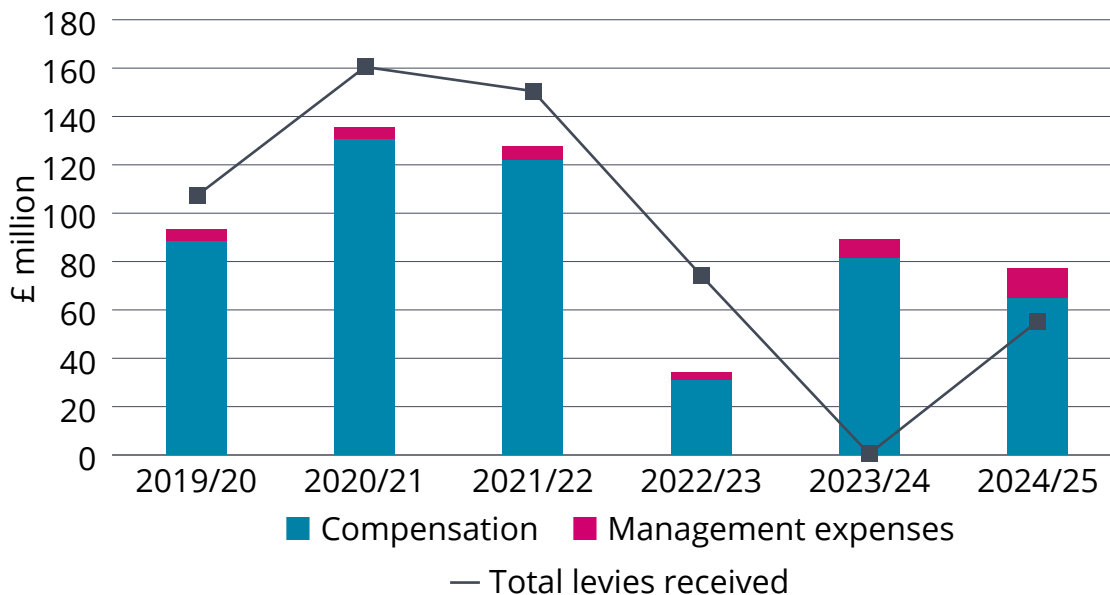
Compensation costs for this class totalled £65m in 2024/25, compared with £81m in 2023/24. As has been the case in previous financial years, most compensation was linked to self-invested personal pension (SIPP) operator failures. In 2024/25, over 90% of compensation costs for this class related to this type of firm failure and the subsequent claims made by their former customers.

Approximately 55% (£36m) of the compensation paid was for claims against the SIPP operator Rowanmoor Personal Pensions Ltd, which was declared in default in December 2023. Around 20% (£13m) was for claims against Liberty SIPP Ltd, which was declared in default in January 2021.

A number of [Section 27](#) claims were also processed in this class in 2024/25, and there was a low uphold rate for these. This contributed to the increase in new claims in comparison with the previous financial year.

In 2024/25, levies raised from firms in the Investment Provision class totalled £55m.

Total levies in comparison with compensation and management expenses



Investment Provision	2024/25	2023/24
New claims	3,314	1,451
Decisions upheld	2,040	1,156
Uphold rate	53%	68%
Average compensation	£31,779	£28,871
Special Administration Regime Payments*	1,453	–

* Payments made in 2024/25 for costs accrued in 2023/24.

Life Distribution & Investment Intermediation (LDII)

Total compensation costs for the Life Distribution & Investment Intermediation class decreased from £180m in 2023/24 to £110m in 2024/25. The majority of compensation related to claims for unsuitable investment, pension and SIPP advice.

Costs for this class have decreased in comparison with the previous financial year because:

- we received approximately 33% fewer new claims;
- there was lower average compensation (14% less than in 2023/24), particularly across SIPP advice and general investment claim types; and
- the majority of compensation payments for the wealth management firm WealthTek LLP (declared in default in April 2023) were accounted for in the 2023/24 financial year.

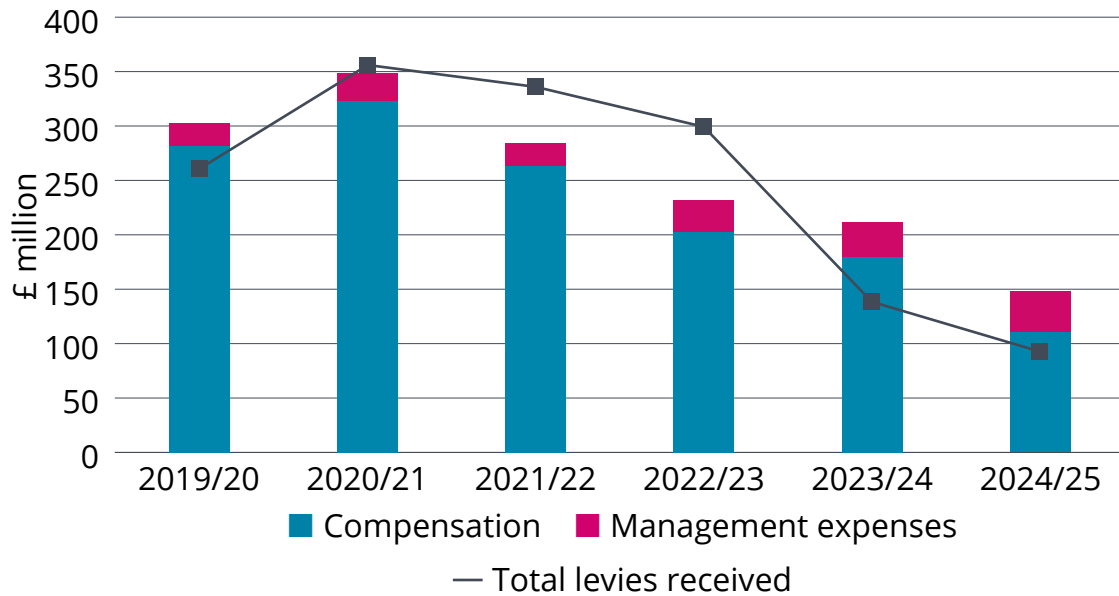
We paid compensation in relation to over 400 firms in this class in 2024/25, mainly in connection with unsuitable investment advice. The largest total compensation sum paid in respect of a firm failure was £10m for customer claims made against Consero Capital LLP, which was declared in default in August 2023. We also paid £7m in compensation for claims made against Sequence Financial Management Ltd, which was declared in default in January 2021.

Levies raised in this class totalled £90m in 2024/25. This included provider contributions from the Investment Provision, Life & Pensions Provision, and Structured Deposits Provision classes.

Claims service compensation

Our claims service handles compensation for products including investments, pensions and mortgages. These cases usually require customers to submit a claim with supporting evidence, for example negligence in regulated activities associated with financial advice or investment arrangements.

Total levies in comparison with compensation and management expenses



Life Distribution & Investment Intermediation	2024/25	2023/24
New claims	4,110	6,170
Decisions upheld	4,342	4,405
Uphold rate	58%	60%
Average compensation	£25,381	£29,308
Special Administration Regime Payments*	700	-

* Payments made in 2024/25 for costs accrued in 2023/24.

PRA classes

Deposits

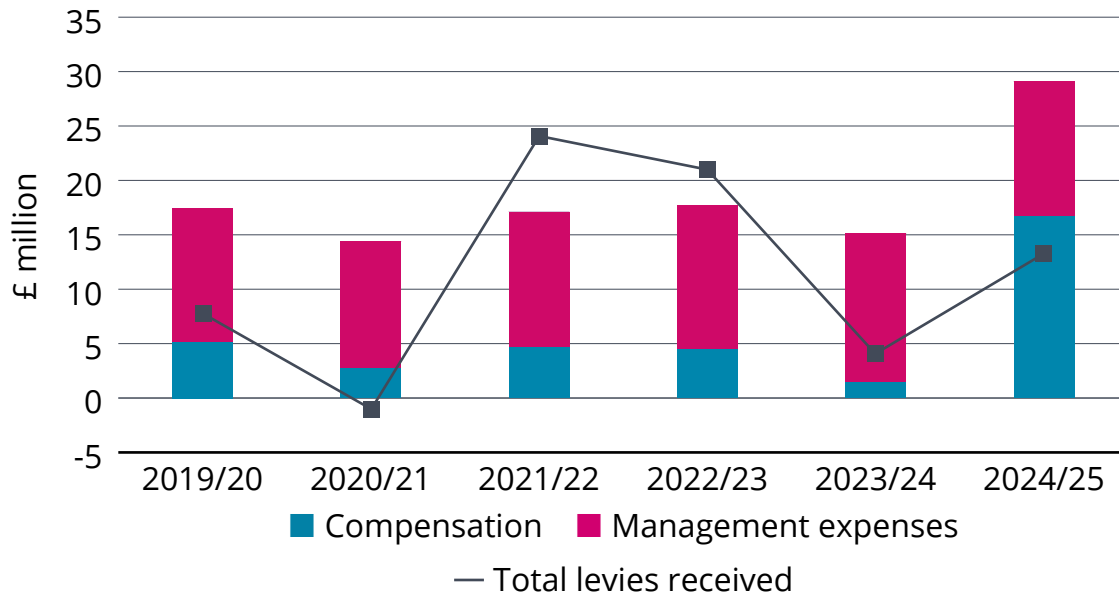
There were three new credit union failures during 2024/25, which contributed to a total of approximately £17m in compensation costs for this class. The firm failures and associated compensation included:

- London Community Credit Union Ltd (declared in default in January 2025) – £13.3m paid in compensation;
- Castle & Crystal Credit Union Ltd (declared in default in May 2024) – £2.4m paid in compensation; and
- Basildon Credit Union Ltd (declared in default in March 2025) – £0.3m paid in compensation.

In 2024/25, levies raised from firms in this class totalled £13m.



Total levies in comparison with compensation and management expenses



Deposits	2024/25	2023/24
Payments	20,350	5,545
Average compensation	£821	£225

Deposits compensation

Customer compensation for deposits is made when a deposit taker such as a credit union or bank fails. Typically, these customers do not need to make a claim as we use data from the failed firm to make payments.

General Insurance Provision

The total compensation costs for this class in 2024/25 were £134m. This was £26m lower than the amount paid out in 2023/24 (£160m).

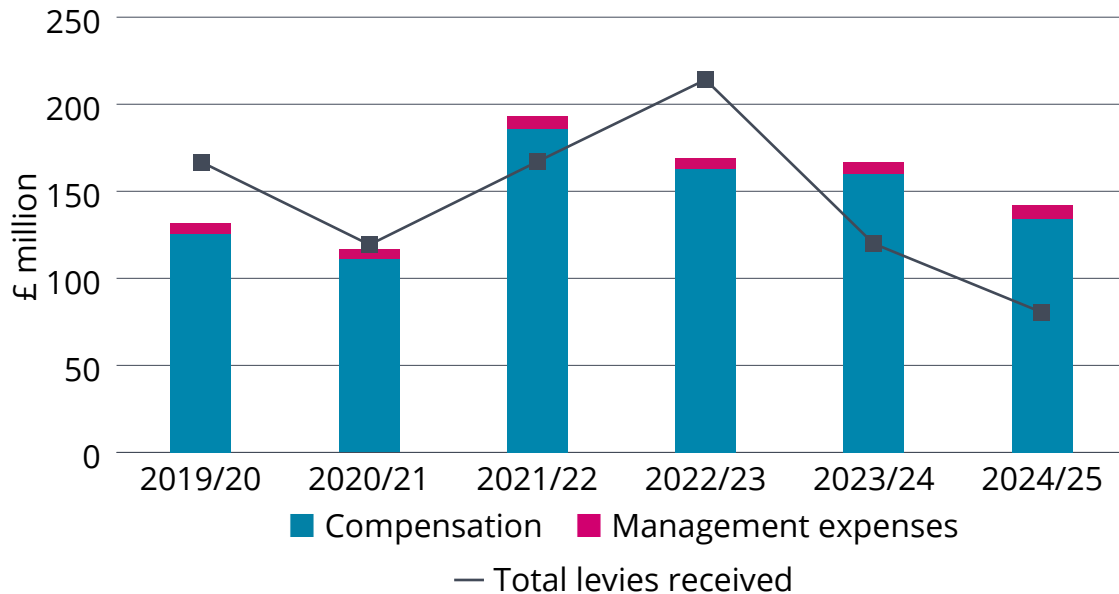
There were no new firm failures during the year. All compensation costs related to insurance firm failures which occurred in previous financial years. In total, there were 27 insurance firms under management that we paid out compensation for in 2024/25. Approximately 95% of total customer compensation related to the following six insurers:

- £45m for Chester Street Holdings Ltd (declared in default in 2001);
- £20m for Green Realisations 123 Ltd, formerly known as MCE Insurance Company Ltd (declared in default in 2021);
- £18m for Gefion Insurance A/S (declared in default in 2021);
- £15m for BAI Ltd (declared in default in 1998);
- £14m for Prometheus Insurance Company Ltd (declared in default in January 2021); and
- £11m for East West Insurance Company Ltd (declared in default in 2020).

We made fewer compensation payments for Green Realisations 123 Ltd (formerly known as MCE Insurance Company Ltd), Prometheus Insurance Company Ltd and Gefion Insurance A/S, in comparison with 2023/24. Most customer payments made in relation to these companies were completed in previous financial years.

In 2024/25, levies raised from firms in the General Insurance Provision class totalled £69m.

Total levies in comparison with compensation and management expenses incurred



General Insurance Provision	2024/25	2023/24
Payments	12,681	20,669
Average compensation	£10,579	£7,683
Premiums returned	68	602
Average premium returned	£786	£286

Insurance compensation

Typically, insurance customers do not need to make a claim with us to receive compensation. If a transfer to another insurer is not possible, compensation includes refunds for unused premiums and payments for valid claims. We pay policyholders using information from the insolvency practitioner and run-off agent.

Life & Pensions Provision

As in 2023/24, there were no firm failures or customer compensation required for this class in 2024/25. This class did, however, pay £10m in provider contributions to the LDII class.



03 Management expenses

In 2024/25, there was a 0.6% increase in our management expenses compared with the previous financial year. This increase was mainly driven by the successful completion of our enhanced claims-handling model – reducing outsourcing while strengthening our in-house expertise.

The increase was also partly due to the lower level of interest earned on cash balances in 2024/25 compared with 2023/24.

Our operating and investment expenditure during the year included:

- increased claims-handling resource, including for unsuitable pensions and investment advice, as we continued to grow our in-house capabilities and reduce our outsourcing costs moving forward;
- ongoing development of our in-house contact centre;
- enhancing our in-house systems and processes so that we were able to handle more claims internally; and
- a continued programme of technology improvements, such as optimising our electronic payments portal and insurance payments system.

The increase in our management expenses was balanced by a short-term reprioritisation of our strategic investment during the year. This included costs associated with IT development, as well as communications and marketing.

Management expenses and comparison with the previous financial year

Costs	Year ended 31 March 2025	Year ended 31 March 2024
	£m	£m
Outsourcing	12.4	11.4
Employment	33.5	29.9
Other staff-related costs, including contractor costs	19.4	14.5
Strategic changes and IT development	5.0	6.9
Communications, including marketing, public relations and stakeholder engagement	1.7	2.9
Other core costs, including facilities, IT, legal and professional fees	28.0	34.0
Total management expenses (excluding pension deficit funding and interest income)	100.0	99.7
Pension deficit funding	0	0.7
Interest income	(1.3)	(2.3)
Total management expenses	98.7	98.1

04 Statement of the directors' responsibilities

The FSCS directors present their Annual Report and audited Class Statements for the year ended 31 March 2025, with comparatives, including the equivalent fund balances for the year ended 31 March 2024.

The directors of FSCS are responsible for:

- keeping adequate accounting records that are sufficient to show and explain class transactions;
- disclosing, with reasonable accuracy, the fund balances of the classes at any time;
- preparing financial statements, and being satisfied that they have been properly prepared and comply with the relevant requirements as set out in [Note 1](#) to the Class Statements; and
- safeguarding the assets of the classes and taking reasonable steps for preventing and detecting fraud and other irregularities.

The directors are satisfied that FSCS is able to meet its obligations. As such, FSCS is a going concern and it is appropriate that these financial statements are prepared under the going concern basis.

The above statement was approved by the FSCS Board on 17 June 2025 and signed on its behalf by:



Martyn Beauchamp
Chief Executive

Financial Services Compensation Scheme

26 June 2025

05 Auditor's report

The Report of the Comptroller and Auditor General to the Financial Services Compensation Scheme Limited and Houses of Parliament

Purpose of this agreed-upon procedures report and restriction on use and distribution

The purpose of my report is to set out the findings of the agreed-upon procedures, detailed below, on the Annual Report and Class Statements, for the Financial Services Compensation Scheme Limited and other users of the Annual Report and Class Statements to consider and draw conclusions upon. The report is primarily intended for the Financial Services Compensation Scheme Limited and HM Treasury, but we do not impose any restrictions on its distribution and use.

Responsibilities of the engaging party

The Financial Services Compensation Scheme Limited has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement.

The Financial Services Compensation Scheme Limited is responsible for the preparation of the Annual Report and Class Statements in accordance with Section 218 of the Financial Services and Markets Act (FSMA) 2000 and with directions made by HM Treasury on which the agreed-upon procedures are performed.

Practitioner's responsibilities

My responsibility is to examine and report to the Financial Services Compensation Scheme Limited on the Annual Report and Class Statements in accordance with the Letter of Engagement.

I have conducted the agreed-upon procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), Agreed-Upon Procedures Engagements. An agreed-upon procedures engagement involves my performing the procedures that have been agreed with the Financial Services Compensation Scheme Limited, and reporting the findings, which are the factual results of the agreed-upon procedures performed. I make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, I do not express an opinion or an assurance conclusion. Had I performed additional procedures, other matters might have come to our attention that would have been reported.

Professional ethics and quality management

My staff and I comply with the *International Code of Ethics for Professional Accountants (including International Independence Standards)* published by the International Ethics Standards Board for Accountants ('the IESBA Code'). I am independent of the Financial Services Compensation Scheme Limited in accordance with the ethical requirements that are relevant to my engagements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

My staff and I apply International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance and Related Services Engagements* and, accordingly, maintain a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and findings

My staff and I have performed the procedures described below, which were agreed with the Financial Services Compensation Scheme Limited in the letter of engagement dated 28 March 2024, on the Annual Report and Class Statements.

Procedures	Findings and exceptions found
Reviewing the accounting policies and disclosures in the Class Statements to confirm their compliance with Section 218 of the Financial Services and Markets Act 2000 and the Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA) rulebooks.	<p>We reviewed the Class Statements disclosures and found that they complied with Section 218 of the Act.</p> <p>We identified one error in a levy journal in the Scheme Manager statutory audit which also had an impact on the Class Statements. This resulted in a misclassification between levy classes and fee blocks in the Class Statements. Total misclassification value across the statements was £900k. The error has been adjusted for. We are content accurate figures have been reported as at 31 March 2025.</p>
Agreeing new classes or changes in class structure to third party evidence from the FCA and/or PRA.	We have not identified any new classes or changes in class structure.
Reviewing the disclosures to ensure any new classes or changes in class structure are reflected.	No new classes or changes in class structure were identified which required disclosure.
Performing overall analytical procedures to assess whether the financial information presented in the Class Statements is consistent with our understanding of the scheme.	We performed overall analytical procedures on the Class Statements. The financial information is consistent with our understanding of the scheme.
Reading the other information and considering whether it is consistent with the financial information presented in the Class Statements, FSCS's financial statements and our knowledge of the scheme gained through conducting our statutory audit.	We read the other information, which includes the Annual Report, and found it is consistent with the financial information presented in the Class Statements, FSCS's financial statements and our knowledge of the scheme gained through statutory audit.

Procedures

Confirming that the financial information presented in the Class Statements:

- has been accurately extracted from accounting records subject to National Audit Office's (NAO's) statutory audit of the Financial Services Compensation Scheme Limited's Annual Report and Accounts; and
- has been prepared in accordance with the accounting policies selected by management and disclosed in the notes to the Class Statements.

Considering whether there are any material errors or limitations arising from our statutory audit which cast doubt on the accuracy of the financial information presented in the Class Statements.

Findings and exceptions found

The financial information presented in the Class Statements has been accurately extracted from accounting records subject to NAO's statutory audit of the Financial Services Compensation Scheme Limited's Annual Report and Accounts and has been prepared in accordance with the accounting policies selected by management and disclosed in the notes to the Class Statements.

There are no material errors or limitations arising from our statutory audit which cast doubt on the accuracy of the financial information presented in the Class Statements.

Gareth Davies

Comptroller and Auditor General

National Audit Office
157–197 Buckingham Palace Road
Victoria
London
SW1W 9SP

27 June 2025

06 Class Statements

Fund movements for the year ended 31 March 2025

		Funds brought forward		Compensation and interest		Exchange gain/ (loss)		Recoveries received	
		2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
Funding class		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Deposits	SA01	13,110	22,419	(16,699)	(1,403)	(11)	(14)	390	806
General Insurance Provision	SB01	46,569	57,210	(133,979)	(160,026)	(7)	(7)	34,484	32,635
General Insurance Distribution	CLGID1	6,031	5,487	(722)	(629)	(2)	(2)	-	2,426
Life & Pensions Provision	SC01	(555)	(460)	-	-	-	-	-	-
Life Distribution & Investment Intermediation	CLII1	44,115	95,910	(110,206)	(179,536)	(26)	(30)	4,226	16,547
Investment Provision	CLIP	12,723	118,876	(64,830)	(81,443)	(10)	(16)	1,578	(19)
Home Finance Intermediation	CLHFI1	1,527	7,409	(543)	(197)	(1)	(2)	-	-
Debt Management	CLDM1	2	496	-	-	-	-	-	-
Funeral Plans	CLFPC	(146)	-	-	-	-	-	-	-
Home Finance Providers – FCA retail pool	SRI1	-	-	-	-	-	-	-	-
Insurers General – FCA retail pool	SRH1	-	-	-	-	-	-	-	-
Insurers Life – FCA retail pool	SRG1	-	-	-	-	-	-	-	-
Deposit Acceptors – FCA retail pool	SRF1	-	-	-	-	-	-	-	-
Payment on Account levies	POAL	78,382	202,271	-	-	-	-	-	-
Total		201,758	509,618	(326,979)	(423,234)	(57)	(71)	40,678	52,395

Specific costs		Interest received		Tax		Levies received		Cross-subsidy transfer		Funds carried forward	
2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
(12,387)	(13,719)	1,029	1,335	(254)	(334)	13,233	4,020	-	-	(1,589)	13,110
(7,701)	(6,650)	4,777	4,618	(1,181)	(1,154)	80,354	119,943	-	-	23,316	46,569
(2,090)	(1,615)	529	362	(131)	(90)	(1)	243	-	(151)	3,614	6,031
(39)	(76)	(28)	(25)	7	6	-	-	-	-	(615)	(555)
(37,787)	(31,741)	2,147	6,401	(531)	(1,600)	92,330	117,011	(16)	21,153	(5,748)	44,115
(12,385)	(7,623)	901	5,168	(223)	(1,292)	54,987	72	-	(21,000)	(7,259)	12,723
(366)	(964)	132	303	(33)	(76)	(25)	(4,945)	16	(1)	707	1,527
(18)	(18)	-	15	-	(4)	-	(486)	-	(1)	(16)	2
(4)	(144)	(7)	(3)	2	1	-	-	-	-	(155)	(146)
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	918	(123,889)	-	-	79,300	78,382
(72,777)	(62,550)	9,480	18,174	(2,344)	(4,543)	241,796	111,969	-	-	91,555	201,758

07 Notes to the Class Statements for the year ended 31 March 2025

The powers of the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA) (previously the Financial Services Authority (FSA)) under the Financial Services and Markets Act 2000 (FSMA) became effective as at midnight on 30 November 2001.

Under the relevant rules set out in the FCA Handbook and PRA Rulebook, for funding purposes, and effective from 1 April 2019, FSCS is split into classes, comprising: Deposits; General Insurance Provision; General Insurance Distribution; Life & Pensions Provision; Life Distribution & Investment Intermediation; Investment Provision; Home Finance Intermediation; Debt Management; and Funeral Plans (from 29 July 2022).

1 Requirement to publish Class Statements

Section 218 of the FSMA requires us to prepare a statement of the value of each of the funds established by the Financial Services Compensation Scheme Limited (the Scheme Manager). These statements, referred to as the Class Statements, are prepared by the Scheme Manager in accordance with the FCA Handbook and the PRA Rulebook.

Class Statements are not the statutory financial statements of the Scheme Manager and have not been prepared under the basis of International Financial Reporting Standards (IFRS). The statutory financial statements are subject to a separate audit engagement and opinion. Financial information other than that prepared on the basis of IFRS does not necessarily represent a true and fair view

of the financial performance or financial position of a company as shown in statutory financial statements prepared in accordance with the Companies Act 2006.

Our 2024/25 Annual Report and Accounts shows the company's statutory financial statements prepared under UK adopted International Accounting Standards and in accordance with the Companies Act 2006. This is a separate publication, which can be found on our website at www.fscs.org.uk/news/fscs-news/annual-report.

The 2024/25 Annual Report and Accounts will be delivered to the Registrar of Companies within the statutory time frame, and the auditor's report thereon was unqualified.

The Class Statements exclude certain estimates and judgements and are aligned with the calculation of levies. The presentation of the Class Statements enables each class of levy payer to understand the financial position of their class at the end of the financial year. The recognition criteria for levies and recoveries in the Class Statements are different from those in the Scheme Manager's statutory financial statements. The basis of recognition is described in Note 2.

2 Accounting policies

The accounting policies adopted in preparing the Class Statements are consistent with those in the accounting policies adopted in the statutory financial statements, except for levies and recoveries as described below.

Levies

The Scheme Manager raises levies on authorised financial services firms which are recognised in the Class Statements on receipt. Similarly, remission or rebates of levies are recognised in the Class Statements on payment.

Recoveries

Recoveries are only recognised in the Class Statements when dividends are notified by insolvency practitioners, or agreed recoveries are notified by other third parties. In the absence of notification, recoveries are recognised on receipt.

a) Basis of accounting

The Class Statements have been prepared under the historical cost convention and on the basis that the Financial Services Compensation Scheme Limited, as the designated Scheme Manager, will exercise its responsibilities under the FSMA, and the FCA and the PRA rules, to recover management expenses and compensation costs on behalf of the classes. The Class Statements have been prepared under:

- Section 218 of the FSMA;
- the FCA Handbook and PRA Rulebook;
- the FCA-FSCS memorandum of understanding (sections 27 to 28);

- the PRA-FSCS memorandum of understanding (sections 48 to 49); and
- the accounting policies set out here.

The financial statements have been prepared on a going concern basis.

b) Compensation costs

Compensation costs are only recognised when the eligibility and quantum of the claim are known or, for reinstatement cases, when fully valued. In most cases, this is when the claim has been assessed and a decision has been made, as before that point the eligibility and quantum of the claim cannot be known.

In the case of deposit defaults, Special Administration Regime defaults, return of insurance premium cases and funeral plan cover, these do not generally require an application form or decision to be made by FSCS; therefore, the expenditure is recognised when the firm is declared in default. In addition, compensation costs payable under various Orders (referred to as deemed compensation) are recognised when the firm is declared in default.

c) Recoveries

Recoveries are credited to funds when notification is received in respect of dividends from insolvency practitioners, or notified and agreed in respect of other recoveries. Where no notification is received, recoveries are credited on receipt. This differs from the accounting policy for recoveries adopted in the statutory financial statements, where recoveries are also recognised if it is probable that future economic benefits from a recovery will flow to the Scheme Manager, and the value can be measured

reliably (based on the best information available to the directors).

d) Management expenses

Management expenses comprise base costs, being the management expenses not attributable to any particular class, and specific costs, which are the remaining costs that cover the handling, payment of compensation and any other costs which can be directly attributable to a particular class.

The specific costs are allocated by FSCS to each class and in accordance with the levy principles contained within the relevant rules of the FCA Handbook and the PRA Rulebook. These are shown in the table of fund balances on pages 28 to 29.

The base costs are not allocated to classes, but are shown against the FCA and PRA fee blocks by which they are levied. Refer to section 8 for the base costs and related levies for each fee block.

e) Interest receivable

Interest received on cash deposits is credited to the classes in proportion to their relative fund balance.

f) Levies

The classes are funded by levies on firms authorised by the FCA and/or the PRA. The FCA raises levy invoices, on behalf of FSCS, which are credited to the classes on a receipts basis. Levies refunded are accounted for on payment. Where requests for the remission or rebate of a levy have been made, this is only recognised in the classes when payment is made. Under the current funding arrangements, the amount that can be

raised by levy in the year will vary, depending on the funding class. For PRA classes the maximum amount that can be levied is the individual class limit. FCA classes can receive support from other classes up to the amount of the retail pool. Retail pool contributions are shown as cross-subsidy transfers. Product provider contributions are shown as levies received in the receiving Insurance and Investment Intermediation class. Any provision or contingent liability recognised in FSCS for levy rebates is only recognised in the Class Statements when payment is made.

Under revised funding rules that took effect on 1 April 2018, the FCA instructed the largest c.1,000 levy payers to make payments on account for FSCS's 2025/26 levy. These firms were invoiced in February, with a due date of 1 April 2025. As at 31 March 2025, invoices totalling £112,932,000 (2024: £102,097,000) were issued, of which £78,825,000 (2024: £74,376,000) was collected, leaving amounts due from levy payers of £34,107,000 (2024: £27,720,000). The amounts levied are held to the credit of those individual firms rather than to any particular funding class and are shown below. These funds will be applied to reduce the payments of these firms when the 2025/26 annual levies are invoiced in July 2025, which are allocated against funding classes.

For Payments on Account, the 'Levies received' row in the main Class Statements table (page 28) reflects the net effect of:

- i) these levy collections; and
- ii) allocations of payments on account against cases in specific classes represented in the other table rows.

g) Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the start of the month in which the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are revalued at the rate of exchange ruling at year end. All exchange gains and losses are expensed to the funds of each class.

h) Cash flow

No statement of cash flow is prepared because, in the opinion of the directors, this would not provide any useful information in addition to that already provided in the tables of fund balances.

i) Taxation

Interest income is recognised gross of tax. The related tax on interest income is charged to the funds of each class.

j) Accounting judgements and key estimation uncertainties

The Class Statements are drawn up in accordance with the accounting policies above. There are uncertainties that could impact on the amounts recognised in the Class Statements.

The key area of estimation uncertainty in the Class Statements is:

- The value and expected timing of provisions for compensation costs. These are based either on estimates provided by, or ongoing discussions with, the administrators as to how much FSCS would be liable to pay or contribute. In arriving at these estimates, some of the administrators would have made significant judgements, such as the timing of the return of remaining client assets on

some estates and the associated costs, which are still subject to change. These changes can have a significant impact on the overall cost, so the provision could be different to the final outcome.

3 Management expenses

Management expenses charged by FSCS to the classes include payments made in the year for FSCS's defined benefit pension scheme. Administrative expenses of FSCS's statutory financial statements, however, reflect International Accounting Standard (IAS) 19 adjustments, with a charge for the current service cost in the year. This treatment ensures current funding of payments as and when they are made.

As stated above in Note 2(d), management expenses are allocated to classes and FCA and PRA fee blocks under the FCA and the PRA rules.

08 Base costs and related levies
at 31 March 2025

		Balance at 1 April	
		2024/25	2023/24
		£'000	£'000
Financial Conduct Authority (FCA) fee block			
Minimum fee	A000	39	83
FCA Prudential fee	AP00	21	48
Deposit takers	A001	60	(95)
Home Finance Providers	A002	13	(20)
General Insurance	A003	39	(14)
Life Insurance	A004	34	(43)
Society of Lloyd's	A006	1	(1)
Fund managers	A007	49	17
Operators/trustees Collective Investment Schemes	A009	17	(14)
Firms dealing as principal	A010	(106)	(35)
Advising/arranging (not holding client money)	A013	230	(8)
Corporate Finance Advisers	A014	(31)	74
Home Finance mediation	A018	5	(15)
General Insurance mediation	A019	55	(4)
Firms holding client money or assets, or both	A021	(1)	(22)
Principal firms – appointed representatives	A022	8	(10)
Funeral plan intermediaries and providers	A023	(19)	–
Consumer Credit (Limited Permission)	CC01	–	(7)
Consumer Credit (Full Permission)	CC02	43	8
Investment exchanges, trading facilities, etc.	B002	15	13
Total		472	(45)

Levies received		Base costs allocated		Funds carried forward	
2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
£'000	£'000	£'000	£'000	£'000	£'000
781	741	(565)	(785)	255	39
702	670	(500)	(697)	223	21
2,670	2,810	(1,901)	(2,655)	829	60
648	685	(466)	(652)	195	13
965	999	(678)	(946)	326	39
1,595	1,686	(1,140)	(1,609)	489	34
12	14	(8)	(12)	5	1
1,641	1,659	(1,168)	(1,628)	522	48
408	464	(310)	(433)	115	17
2,119	1,817	(1,343)	(1,888)	670	(106)
2,698	3,106	(2,035)	(2,867)	893	231
560	414	(369)	(518)	160	(30)
629	657	(454)	(637)	180	5
1,053	1,111	(751)	(1,052)	357	55
559	557	(383)	(536)	175	(1)
193	224	(140)	(206)	61	8
48	33	(36)	(52)	(7)	(19)
307	295	(221)	(288)	86	0
1,600	1,523	(1,144)	(1,488)	499	43
–	2	–	–	15	15
19,188	19,467	(13,612)	(18,949)	6,048	473

		Balance at 1 April	
		2024/25 £'000	2023/24 £'000
Prudential Regulation Authority (PRA) fee block			
Minimum fee	PA00	1	(2)
Deposit takers	PA01	283	(270)
General Insurance	PA03	66	11
Life Insurance	PA04	90	(75)
Society of Lloyd's	PA06	3	(4)
Firms dealing as principal	PA10	15	(18)
Total		458	(358)

Levies received		Base costs allocated		Funds carried forward	
2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000
36	40	(25)	(37)	12	1
11,994	12,502	(8,586)	(11,949)	3,691	283
2,838	2,785	(1,959)	(2,730)	945	66
3,315	3,480	(2,381)	(3,315)	1,024	90
143	149	(103)	(142)	43	3
790	810	(558)	(776)	247	16
19,116	19,766	(13,612)	(18,949)	5,962	459

The Class Statements were approved by the Board of the Financial Services Compensation Scheme Limited, as designated Scheme Manager of the classes, on 17 June 2025 and signed on its behalf on 26 June 2025 by:



Martyn Beauchamp
Chief Executive
Financial Services Compensation Scheme

09 Firm defaults

From 1 April 2024 to 31 March 2025, FSCS declared the following 45 firms in default:

Name of authorised firm	Date declared in default
Deposit-taking firms	
Castle & Crystal Credit Union Ltd	21/05/2024
London Community Credit Union Ltd	22/01/2025
Basildon Credit Union Ltd	17/03/2025
Other firms	
Finsbury Financial Ltd trading as Finsbury	09/04/2024
Oakwood Financial Management LLP	10/04/2024
Go IFA Ltd formerly Stevton Ltd trading as Go IFA Ltd, Go IFAs	10/04/2024
WR Simon Ashley Silver Independent Financial Advisor Ltd	12/04/2024
PH7 Wealth Management Ltd formerly The Pension Place Ltd trading as PH7 Mortgages, PH7 Insurance Brokers	12/04/2024
Atlantic Investors (Scotland) Ltd	19/04/2024
Alexander David Securities Ltd	30/04/2024
Chestergate Financial Services Ltd formerly Bradshaw Bennet Independent Financial Advisers Ltd	14/05/2024
Haich & Associates (UK) Ltd formerly 14 Lights Ltd, NPD International Ltd	11/06/2024
Broadlands Partnership	14/06/2024
Mackie Wealth Management Ltd	20/06/2024
Elliot Financial Services Ltd	20/06/2024
MacInnes & Bottomley	27/06/2024
Holistic Pension Transfer Specialists Ltd trading as HPTS	03/07/2024
J Monroe Ltd trading as Compendium Wealth, Summit Wealth Management	04/07/2024
Ozen Financial Services Ltd	05/07/2024
Green Gem Financial Ltd	12/08/2024
Mark Peter Houlbrook trading as Thorn Investment & Pension Services	28/08/2024
Barton Hatcher Ingram Financial Management Ltd	09/09/2024
Triple A Financial Services	11/09/2024
Pro-Synergy Wealth & Tax Management Ltd trading as Sedulo Wealth Management	19/09/2024

Name of authorised firm	Date declared in default
Colbourne & Company	26/09/2024
Advice & Wealth Management Solutions LLP	07/10/2024
Inter-UK Financial Services Ltd trading as IUK Global, InterProtect, Casa Capital	08/10/2024
European American Capital Services Ltd trading as EA Capital	22/10/2024
Chesterton Grant Ltd	24/10/2024
Carl Julian Hanson trading as Bright Future	25/10/2024
Frobisher Capital Ltd	29/10/2024
LEBC Group Ltd trading as The Care Adviser, The Retirement Adviser, Corporate Healthcare Solutions	29/10/2024
Intelligent Wealth Management Partnership Ltd trading as IWMP	30/10/2024
Charterhouse (Chester) Ltd trading as Charchouse Asset Management	12/11/2024
Eunisure Ltd trading as Hawkedon Health, Eunisure Commercial & General, Dunn & Co	14/11/2024
Norrix Financial Services Ltd formerly RNAMK Ltd	19/11/2024
Gainsborough Financial Services	25/11/2024
Intelligent Money Ltd	28/11/2024
Bourne House Ltd formerly F T Financial Management Ltd	16/12/2024
Broadfoot, McKee and Hamilton trading as Professional Financial Services	09/01/2025
Holborn Assets Ltd trading as Cheshire Pension Consultants, Expatriate Financial Planning Services	17/01/2025
Foreign Currency Innovations Ltd trading as FCI, FCI Markets, FCI Capital Management formerly Earnex	06/02/2025
Reis Financial Planning Ltd	20/02/2025
TenetConnect Ltd formerly Interdependence Ltd trading as Tenet Network Services	25/03/2025
LLP Services Ltd	28/03/2025

Contact us



Contact us

For more information
call: 0800 678 1100
email: publications@fscs.org.uk
visit: www.fscs.org.uk



Head office

Financial Services
Compensation Scheme
10th Floor
Beaufort House,
15 St Botolph Street,
London, EC3A 7QU



Stay connected

[FSCS !\[\]\(aa53ad6fea213b8b2226d3077e30533a_img.jpg\) Facebook](#)
[FSCS !\[\]\(a1c2189b125458bd8fa8822d0c2da6bc_img.jpg\) Instagram](#)
[FSCS !\[\]\(2fd953c3ecfc88f2692d4bd02c4e8bdc_img.jpg\) LinkedIn](#)
[FSCS !\[\]\(aae91f6df6753c5c553ea412ecfb91bc_img.jpg\) X](#)
[FSCS !\[\]\(0f3706b37117ecf113ff7aea6af0ad36_img.jpg\) Podcast](#)