

Levy breakdown – FCA classes

Home Finance Intermediation

2022/23 update

2022/23 forecast fund balances	November's Outlook forecast (£m)	Latest levy update (£m)	Variance (£m)
Opening balance	5.2	8.7	3.5
Compensation	(5.0)	(0.6)	4.4
Recoveries	0.0	0.0	0.0
Management Expenses	(2.1)	(1.0)	1.1
Annual levy receipts	2.0	0.0	(2.0)
Total closing surplus/(deficit)	0.1	7.1	7.0
Total levies Please note, the 'Total levies' is not the sum of each column. This row shows the November forecast in comparison to the latest levy update.	9.1	0.0	(9.1)

Firms in this class will not be required to pay an annual levy in 2022/23. The main reasons for this include:

- Lower than expected compensation costs in 2021/22, the opening balance for this class has increased by a further £3.5m which has been used to offset against the 2022/23 levy;
- An £8m retail pool contribution will no longer be required by this class. This is because we no longer expect the Life Distribution and Investment Intermediation (LDII) class to breach its annual levy limit and require additional funding from other classes; and
- The compensation pay-outs expected for 2022/23 have decreased from £5m to £1m.

We are not expecting any new failures in 2022/23 and the close to £1m compensation pay-outs expected relate to firm failures in previous financial years.