

FSCS Podcast – Episode 22: I've got my compensation – what next?

Caroline Rainbird 00:02

Welcome to protect your money with FSCS, the podcast from the Financial Services Compensation Scheme. I'm Caroline Rainbird FSCS Chief Executive. And in this series the fantastic FSCS team will help you understand how we can help to protect your money, so you can feel confident that your money is safe. Hope you enjoy the podcast!

Conor Richards 00:29

Welcome to the FSCS podcast. My name is Conor Richards. If you're a long-time listener of the podcast, you might have heard me on a few episodes before. I'm a Communications and Stakeholder Business Partner at FSCS. And I'm your guest host for today's episode. So, as you may or may not know, the Financial Services Compensation Scheme exists to protect customers and authorised financial services firms that have gone bust by paying eligible people compensation. FSCS is independent and our service is free to use. So, you'll keep all of the compensation you're owed if you make a claim direct to FSCS.

We protect lots of financial products, but not all of them. So, this podcast series designed to help you understand our protection and why that's so important. Today's episode is one for FSCS pension customers. So that's anyone who's currently going through a pension claim, or anyone who's recently received compensation for a pension claim and is wondering what to do next with their money. Throughout this episode, we're going to be talking about helping you to get back on track after your claim decision.

So, what does getting back on track mean exactly? Well, in short, it's about how you can equip yourself with the information you need to make educated decisions about your money once you've received compensation. And that's in order to put yourself back in the position you were before you lost money. So today, we're going to talk about where you can seek guidance and information and hopefully make you feel a bit more confident about making those choices.

So first of all, I'm going to introduce today's guest, Paul Yates, who is making his podcast debut today. So welcome, Paul.

Paul Yates 02:09

Hello, Conor and thank you very much for the invite. And hello, listeners. So just a little bit about me. I've been working at FSCS now for over five years, and love working somewhere that delivers a vital service to people across the UK. Recently, my role has been focusing on how FSCS meets the needs of financial services consumers, and to help build trust and confidence in the industry, and to enable them to make hopefully better-informed decisions in the future.

Conor Richards 02:43

Brilliant. Thanks, Paul. It's really good to have you on today. Now, I'm not sure how many episodes you've listened to yourself, Paul, but I thought you should know that we finish each episode with the same question. And that's which toy got you breaking open your piggy bank as a child? So now I've given you a warning. Let's get into it. I thought it'd be good to start off by discussing why we're doing this episode. So, can you tell us why it's important for FSCS to be thinking about helping to get pension customers back on track?

Paul Yates 03:10

Yes, of course. So, for us, it all started with a key learning from our experience of handling customers' pension claims. Every year, we're contacted by over 100,000 customers, whether they receive compensation or not. And they can often leave FSCS with limited knowledge and low confidence about how to reinvest in a safe informed way in the future. In fact, some customers receive compensation from us and don't cash their cheque at all.

Conor Richards 03:41

And why is that? Why would some people not cash their cheques?

Paul Yates 03:45

I think it's often because they're scared to lose their money again. Let's say you've received unsuitable pension advice to transfer your pension to another provider. Your new provider went bust and you'd lost your pension pot. That's obviously a really horrible experience to go through. And a lot of people don't want to go through that again. So, some put off making financial decisions completely, even if they've received money back from us.

Conor Richards 04:13

Yeah. And that's really sad, isn't it? Because it's really harming them twice. Once because they've lost the money in the first place. And then twice because they're not putting their compensation back to use. So, putting it back into a pension, where it can be accumulating more money for their retirement later down the line.

Paul Yates 04:30

Yeah, exactly. And that's harmful because the lost time will impact the growth of their future pension pot. As I said earlier, for many making financial decisions after losing money is a really daunting experience. And that's totally understandable. That's why we wanted to do today's episode to talk about where you can go for support in making these kinds of decisions, and hopefully get people feeling more confident about putting their compensation to use.

Conor Richards 04:59

Thanks Paul. So before we go any further, can you talk a little bit about why we've chosen pensions for this episode?

Paul Yates 05:05

Yeah, there's a couple of reasons. First, pensions are the product we see the most claims for year-on-year. They can also be some of the most complicated products in the market to understand. It's also the product, we see the highest amount of uncompensated loss for, which is when customers receive our maximum compensation limit of £85,000. But it's not enough to cover the amount of money they lost.

That's why it's so important to put your compensation to use in the right way. Because you want to get your money safely invested and back to work as quickly as possible. I'd also say we wanted to keep it simple, the information you should seek and organisations that can help you with a pension decision is very different to that of other financial service products that FSCS protect.

Conor Richards 05:55

Great. Thanks, Paul. And I think this is a good point to say that if you're listening and you find the rest of this episode useful, or you're not a pension customer, and you'd like to hear something similar for another product, then please do let us know. Now we're going to get into the main section of today's episode, which is where we're going to break down the support available to you in terms of getting back on track, and some other information we think will be helpful for you to know.

So, we're going to be discussing where to go for pension support, other products that are FSCS protected, how to check a provider is authorised by the Financial Conduct Authority, and finally, where you can get help on the other aspects of your finances and mental health support if there's something that you need. I think it's worth shouting out here that all of this information could be of use to you whether you're a pension customer waiting for a decision on your claim, or if you're someone who's had their claim decision back and you've already received compensation, we understand that not knowing if you're going to get any compensation can be a really difficult situation.

So, we've not only included organisations that can help once you've received that money back, but also some who can help while you wait, especially if you're someone that's experiencing financial difficulties or struggling with your mental health. So, Paul, do you want to kick us off by talking about where you can get support on your pension?

Paul Yates 07:07

Yeah, so if you're thinking about making a pension decision, there are a couple of organisations out there that can definitely help. MoneyHelper is a free organisation backed by the government that can offer free impartial advice and guidance on your pension, they can book you a Pension Wise appointment, you'll get your pension options explained, how each option is taxed, and they'll break down your next steps in a really simple way. To qualify, though, you'll need to be over 50. And you'll need to have a UK based defined contribution pension, not final salary pension or a career average pension.

Conor Richards 07:45

So, it sounds like MoneyHelper can offer quite a bit of support there. I just have one question. So, what if I've lost track of a workplace pension? Where would I go from there?

Paul Yates 07:49

Yeah, that's a really good question. The pension tracker from Pensions Advice UK can help in that case, the service is free if you've got more than £30,000 already in your pension. Alternatively, if you've got some basic info from previous pensions, you can find pension contact details on the gov.uk website. Once you've found any lost pensions, merging them can make them easier and cheaper to manage. MoneyHelper can help here as well. Their website has guidance on bringing pension pots together.

Conor Richards 08:30

Thanks, Paul. I think it's also worth mentioning here that the lovely people at MoneyHelper have joined us on the podcast a couple of times before. So, you can check out episode two, which is 'Money and mental health', or episode 7, which was 'Your guide to financial advice and FSCS protection'. And those are available wherever you listen to your podcasts. So next, I thought it'd be good to talk about other products that FSCS protects. Obviously, we said at the start, this is a pension focused episode, which it still is but after going through one claim, I think is really important to know what else we protect.

Paul Yates 09:02

Absolutely, it's really important to make sure all your financial products are FSCS protected, because that's the only way you'll be able to claim money back if a firm goes out of business in the future. Also, if you need to make a claim, remember, you can claim directly through FSCS. And you'll keep 100% of the compensation you were due as we're a completely free service. In terms of the full list of products we protect, FSCS also protects any money up to £85,000 that you might have in a bank, building society or a credit union, current or savings account, and they are often called deposit accounts.

Conor Richards 09:41

Yeah, and in addition to those, we also cover Debt Management, Funeral Plans, Insurance, Mortgage Advice, Mis-selling of Mortgage Endowment Policies, PPI, Pensions and Investments. And the amount that you're protected does differ from product to product. So, it's really worth checking out the limits on our website, which is [fscs.org.uk](https://www.fscs.org.uk).

Paul Yates 10:04

It's also worth mentioning that whatever the product, the firm you dealt with must be no longer trading, and must be FCA authorised for you to have a valid claim with FSCS.

Conor Richards 10:16

And just before we move on, just to go back to a point you made Paul, I just wanted to remind everyone listening at home that it's free to claim directly with FSCS. So, you don't need a solicitor, a claims management company or a legal representative to claim for us, we tried to make claiming as easy as possible. Now, that's not to say you

shouldn't use a rep. They can also be really useful depending on your personal situation. But it's important to know that you do have the option of doing it yourself for free, or appointing a nominated representative. So that could be a friend or a family member, and they can help complete your claim for you.

So, just going back to another point you mentioned Paul, which is about making sure your pension provider or any financial firm you deal with is FCA authorised. So, let's talk about that a little bit more remind us why it's important.

Paul Yates 11:02

Yeah, as I said, you can only be protected by FSCS if the financial firm you're dealing with is FCA authorised, and the financial products they are providing has to also be FCA authorised, the firm must be carrying out a regulated activity and your claim must be covered by our eligibility rules, which are also on the FSCS website.

Conor Richards 11:25

And how can people check a firm's FCA authorised?

Paul Yates 11:28

Yeah, they can visit the FCA's Financial Services Register. The Financial Conduct Authority is the UK financial industries regulator. So, if they haven't authorised your financial firm to provide the service you're interested in, you're not FSCS protected if something goes wrong. Once you're on the register webpage, you can enter the firm's information and find out whether they're authorised or not.

Conor Richards 11:54

Brilliant. And we actually also have some questions on our website that you can ask providers directly too, to find out if a firm is FSCS protected. So, for example, you might ask, "Is my product covered by FSCS?" "How much of my money is protected?" and "What would happen to my money, if something happened?"

Paul Yates 12:13

And if you're thinking of setting up a pension or moving to a new provider, you could consider asking things like "Other than FSCS, are there any other protections covering my pension?" Also, "If I transfer money across from an existing pension, will that also be protected?"

Conor Richards 12:31

Yeah, exactly. And of course, there are also ways of looking on our website if products you are interested in are covered. For example, you can use our online pension and investment protection checkers, which are available at www.fscs.org.uk/check. Of course, there's a huge variety of options of products. So, we can't always give a definitive answer as to whether something's protected. So, to be certain, it's always worth asking your provider if the product is FSCS protected.

So now we're going into the final section of today's episode, which is where we wanted to quickly point out some of the other organisations that can help you depending on your situation. We know that the claims journey can be really stressful. So, if you're still waiting on your decision, and that's something that you're struggling with, please don't hesitate to contact us to discuss how else we can help you.

Paul Yates 13:19

Exactly. And there are also some other organisations who may be able to help, such as Citizens Advice. They're an independent organisation who offer free, impartial advice online, over the phone or in person. There's also Entitledto, they're another organisation helping people in financial need by providing clear benefit entitlement guidance. And of course, you've also got Samaritans who are registered charity, able to provide emotional support to anyone in distress.

Conor Richards 13:54

Thanks, Paul. Obviously, even if you've received compensation, those organisations could still be of help to you. I just wanted to point out two others that might be useful. So, we talked a lot about making a claim when your firm has failed. But if you want to raise a complaint against a financial organisation that is still trading, the Financial Ombudsman Service might be of help to you. Just to point out another, specifically if you've received compensation already, and that's the FCA ScamSmart webpage. So, when you're reinvesting your money, it's obviously really important to protect yourself from scams and fraud. You can find out how to stay safe on the FCA ScamSmart website.

And you can also enter scams into the search box on our website to see the most common. We also did an episode on scams back in episode four, so you can check that out as well. We really hope this episode has been useful to you and helps you feel a bit more confident about making those next financial decisions. As I said at the beginning, if you've enjoyed this and you'd like to see something similar for any other products that we protect, do let us know on our social channels and we'll see what we can do.

Right, so Paul, it's the end of the episode. The time has come for the final question. So that's, which toy got you breaking open your piggy bank as a child?

Paul Yates 15:04

I really enjoyed this question Conor because it got me back to thinking about my childhood, which is always fun and enjoyable. It was a really close call for me between Scalextrics and Subbuteo. But I'm going to go with Subbuteo. So, I loved collecting all the bits and pieces for the stadium and the ground, and of course, as many of the different football teams that I could afford. Interestingly, I've always wondered why it was called Subbuteo, so I did a bit of research and Googled it before our call today. The inventor who was called Peter Adolph wanted to call it Hobby. But his trademark was rejected. Instead, he named after a bird of prey called Falco Subbuteo, which is also known as the hobby bird.

Conor Richards 15:52

Ah, there you go. How much money do you reckon you spent on Subbuteo over the years?

Paul Yates 15:57

How much of my pocket money? Oh, my word. I mean, it was a long time ago. Conor, so it's probably not that relevant to today's money. But the teams weren't that cheap, nor were the bits. I think I probably spent a couple of £100.

Conor Richards 16:12

Nice. Well, I think that's one of the best answers we've had. And we've learned something new today. So that's always good. Right. Well, thank you very much, Paul, for joining today. We hope everyone listening enjoyed the podcast. You can find all of our podcasts on our website, which is www.fscs.org.uk and all the usual places that you find your podcasts. We'd love to hear what you think. So please do rate and review us and you can also let us know on our social channels. Just search @FSCS. Thank you for listening.