

FSCS Podcast – Episode 1- MythBusters: 3 common mistakes people make about FSCS.

jingle begins

Caroline Rainbird 0:02

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 your money is safe. Hope you enjoy the podcast!

Jess Spiers 0:24

Welcome to the first ever FSCS podcast. I am your host, Jess Spiers, and I'm Senior Content Manager at FSCS. We've designed this series to help you understand our protection and why it's so important. So whatever your level of financial knowledge, whether it's quite basic, or if you're a bit of a pro, we are here to help you feel confident that your money is safe.

So in today's episode, we are going to bust three common myths about FSCS. So you will come away with a good idea of who we are, what we do, and how we can help you. We're also going to give you a nice simple action to take at the end of the episode on how you can check if your financial product or service is FSCS protected.

Now today, you are going to meet two fantastic members of our executive, Lila Pleban and Debbie Stimpson. And here's a fun fact for you, Lila and Debbie have actually been friends for many years, so I think we're in for a fun and lively discussion today. In our podcast, we're going to ask all our guests the same question at the end of the podcast, which is "we are all about keeping our money safe. But what was the one toy that would have got you breaking open your piggy bank as a child?". So I'm now going to hand over to Lila and Debbie, so they can very quickly tell you what they do FSCS before we start busting our myths, so ladies who's going first?

Lila Pleban 1:41

I'll go first. Jess, and I just want to say that after three years of working with you, I thought your name was Jess Spears not, and I now find out today on this call, it's Jess Spiers. So

laughter

Jess Spiers 1:51

The story of my life. it's not just you

Lila Pleban 1:54

I'm Lila Pleban. And I'm the Chief Communications Officer.

Debbie Stimpson 1:58

And I'm Debbie Stimpson and I'm the Chief of Staff.

Jess Spiers 2:01

Brilliant, thank you. So just for the next 20 seconds, I'm very, very quickly going to run through who FSCS is. FSCS was set up in 2001, and we will be celebrating our 21st birthday in the next few months. So put really simply, we are here to protect customers of authorised financial services firms when they go bust. So, if the company you've been dealing with has failed, and it can't pay back your money itself, we can step into pay compensation, assuming that you meet our eligibility criteria. So I'm going to hand over to Lila now, who is going to tell the true story of how we helped one of our customers just to give you a bit of a flavour of what we do.

Lila Pleban 2:41

Thanks, Jess, and I think it's fair to say that the stories that we hear from our customers are the things that really drive us on a day-to-day basis. And unfortunately, whilst many of our customers, we're able to help them get back on track, there's a happy ending, it often is due to, you know them having to suffer some really challenging and difficult circumstances, often losing all of their money through no fault of their own.

But the story I want to pick up on today is really, it was a teacher who was advised by an independent financial adviser to move her pension into a low risk Personal Pension Fund for much higher returns. And it really sounded great for her. But it really turned out to be a con. The investment itself was really high risk, the fund collapsed, and meant that this teacher who, you know, really works hard, lost her entire pension. Her independent financial adviser completely disappeared so she didn't feel she had anyone to turn to. She didn't know where to go. She was very panicked, felt very alone.

And then she happened to find FSCS online. And because the fund had gone bust, we were able to protect her. And we were able to get her whole pension back. And you know, it really helped her to secure her future and put trust back in financial services where it was lost. And like I say, you know, we hear many, many stories like this on a day-to-day basis. And it's great when we're able to help people we

can't always but you know, most of the time we are able to help people. Debbie, you've got something to say.

Debbie Stimpson 4:26

Yeah, I was just going to say Lila, this is probably the first of many times over the next few minutes that we should probably quote our website address. www.fscs.org.uk is the place that, that lady, that teacher found, and that was when at that point that she was able to start being helped.

Jess Spiers 4:50

Thank you Lila and you know, like we said it's just one example of how we've helped people, but I think it just really helps to bring to life our service. So that leads us really nicely into our first myth. So myth number one: FSCS only protects bank accounts.

Debbie Stimpson 5:06

Oh this is a biggie, Jess. Yeah, this is very fundamental to us here at FSCS. We do not just protect bank accounts, it is true that the bank accounts your banking apps in your bank branches. This is where you will see our logo. And we think this is what drives quite a high percentage, nearly 40% according to the latest survey we did from February to August, this year, in 2021. Nearly 40% of people know that we protect deposit accounts, but only 20% of people know that we protect pensions as well. And pensions is just the start of it, we protect PPI, we protect mortgages, insurance, investment, debt management plans. And again, it's probably, it's probably worth again just directing you to our website to find our full list of products that we cover. Lila...

Lila Pleban 6:09

Yeah, and don't forget that next year, we'll be covering funeral plans as well Debbie.

Debbie Stimpson 6:13

It's probably worth sort of mentioning a couple of things that need to be true in order for a claim to be eligible with us. So the biggie is that the firm must be authorised by the Financial Conduct Authority, so that's the FCA. Or the Prudential Regulation Authority, so that's the PRA. Sorry for the long winded, regulatory names, but it's important, it's an important point to know. They have to be, the firm has to be protected by either of those firms, either of those regulators to be, for us to be able to help people. And I guess the one other thing is, which makes us pretty

unique here in the UK, is that we also protect bad advice, if it relates to pensions, investments or mortgages.

Jess Spiers 7:04

Brilliant. Thank you, Debbie. And I think it's worth calling out here as well that we don't protect every financial product. So we always encourage people to check that.

Debbie Stimpson 7:13

That's absolutely right Jess. And this is all part of us, wanting our customers and consumers to be as informed as possible when they make choices about their financial products.

Jess Spiers 7:24

Exactly. Brilliant. Thank you, Debbie. So we're going to move on to Myth number two now. And that is, you have to pay to make a claim with FSCS. And Lila, I think you're going to do this one for us.

Lila Pleban 7:36

Well I am Jess. I'm going to blow that myth out of the water because it's absolutely completely free to claim with FSCS direct. And it's free because we're a non-profit organisation, there's no gain for us to charge anybody. And that's because we're funded by an annual Levy, which is a bit like a tax, paid by authorised financial services firms. And it's this that enables us to offer our service free of charge. And you can go and find our service, on our website. I think Debbie mentioned it, but I'm going to do a little shameless plug again, which is www.fscs.org.uk.

And when you get to the website, you know, you'll be taken through step by step, all of the things and all of the processes you need to go through. And I was just looking at our CSAT results for last quarter yesterday. And I can see that we're being told that, you know, people came onto our website expecting it to be quite stressful. And actually, it was a lot easier than they thought, that they thought it was going to be really hard. And actually the it was quite easy. So I'd really encourage you to take a look and have a go yourself. And Debbie, I think you wanted to say something there, I saw you hankering to get in.

Debbie Stimpson 8:55

Yes, as always yeah. I was just going to mention that, for those of you not up on the on the lingo, CSAT is our customer satisfaction survey.

Lila Pleban 9:04

Oh yes...

Debbie Stimpson 9:06

I just wanted to point out, Lila that I guess there are some of us and you know me, there are some of us and I include myself maybe in this who are who are not always the most confident online, we're not the most technical savvy, and that we have also got a team of, a customer service team that are there ready to help if you do want some help navigating through pages of the website, or if you're finding this piece of information that we're asking for you're thinking, 'What even is that?' or 'Where do I have that, that was 20 years ago'. There's a team at the FSCS who are, who are there to help with any of those queries. It's worth mentioning as well that five years ago, we had no website capability and so it was a very long process involving lots of paper claims. And I guess as well, and this is often the case with me, there's often a neighbour a friend or relative around who knows a little bit more about internet than you do. So don't be afraid to ask.

Lila Pleban 10:15

And Debbie, you know, you can pay a representative, somebody like claims management company or a solicitor, some of these people do offer a service, there is a charge. So make sure you understand the charges before you sign up to anything, but they will take the weight of all of this off you if that's what you want to do. But do take a look at our website, because it is free, and it is, you know, a nice, easy process with lots of support there to help you if you get stuck.

Jess Spiers 10:44

Yeah, that's right. And also, I think it's worth mentioning that when you start to make a claim online, on our website, we will very quickly tell you whether you're eligible or not. So you can get that answer pretty much straight away.

Debbie Stimpson 10:56

Yeah, that's really important, Jess, you know, unlike the bad old days, when you had to fill out an application form of 50 pages to find out even that.

Jess Spiers 11:06

Yeah, that's right. Yeah, you know, like you said, our customer support team are amazing, they are so friendly, so helpful. They're on the end of a phone line, or we also have a web chat functionality on our website. So you can get to that from any page on our website it's in the bottom right hand corner. So they're very easy to reach and always happy to help. So let's move on to our last myth. myth number three, we are part of, or the same as the Financial Conduct Authority, the FCA.

And this is an interesting one for me, because my stepdad who is very financially savvy, he really is on top of all his finances, he thinks I work for the FCA. So even if he has trouble figuring out all the Fs, other people are bound to. So Debbie, I think you're going to bust this one for us.

Debbie Stimpson 11:52

Yeah, well, I just like to observe Jess that your dad is way ahead of mine who simply thinks I work in office in London, which, which is true, but. So, no we're not we're not part of the FCA, our rules under which we pay compensation are set by the FCA and the PRA. And that's the same for us, so the Financial Services Compensation Scheme, and also the other F you may have heard about, the Financial Ombudsman. The difference between us and the ombudsman, and we work, we work very closely with the ombudsman as part of that regulatory family designed to give confidence to consumers in the financial services sector. The difference is that if the firm in which you're making your claim or your complaint is still live, that is dealt with by the Financial Ombudsman or the FOS, it is only when the firm's gone bust that we, at the FSCS come into play.

Lila Pleban 12:58

I was on mute there Debbie, one of us had to do it.

Debbie Stimpson 13:02

Lockdown, classic Lila.

Lila Pleban 13:06

Oh I know... And I think the other people who are who are there to help as well, if you know, if you're buying a product and you come across us and you're listening to this podcast, you know, we're probably not quite the right people if you're wanting help to choose a product. We obviously would love you to take out a product that's FSCS protected for all the reasons we've talked about. But if you need some help choosing the right product and navigating through financial services, then there is a fabulous organisation called MoneyHelper. And you can find them just do a quick Google online and they will help you, educate yourself and help navigate through all of the different parts of financial services and help build a little bit of confidence that you are doing the right thing and our little bit of advice is, if it sounds too good to be true, it probably is. So just be careful and do your research.

Jess Spiers 14:02

Wise words Lila, thank you very much. Right, those are our myths busted, and we've covered quite a lot of ground. So I'm just going to quickly recap the three main takeaways for our listeners. So number one, we are completely free for people to use. Number two, we protect lots of financial

products and not just bank accounts. And number three, we work closely with the FCA but we are independent of them.

So now we've just got an action for our listeners to take away today. So we really want you to feel in control of your money, and to know whether or not FSCS could protect you if something did go wrong. So to help you find out if you're FSCS protected, we have created some key questions that you can ask your provider. So we've created questions for a range of financial products and that's bank accounts, pensions, insurance policies, investments, and financial advisors. So you can ask your provider these questions, to find out if FSCS protects your product or your service. And to find the questions just go to our website which is www.fscs.org.uk/questions. Now, I think we're coming on to the bit that everyone's been waiting for, which is the question we ask all our guests. So, we are all about keeping your money safe, but what was the toy that would have got you breaking open your piggy bank as a child? Now who's going to go first, Lila or Debbie?

Lila Pleban 15:25

Well shall I go first Debs?

Debbie Stimpson 15:27

Take it away.

Lila Pleban 15:28

I grew up in the wildest parts of Norfolk, running around fields, building haystack houses, climbing trees, and generally out and about in the countryside. You might even hear my Norfolk accent creeping through from time to time. What would get me breaking my piggy bank open might surprise you because, at heart whilst I am a bit of a tomboy, I'm also really, I hanker over pretty things, glitter, makeup, you know, pink things, I'm afraid. So I would have broken open my piggy bank for some handbags, some shoes, some glitter, some glam. So yeah, that's what I would have done when I'm not in the fields, I'm on the glam.

Jess Spiers 16:19

I think it's fair to say Lila. That's still true, isn't it?

Lila Pleban

Yes.

Jess Spiers

Yeah *chuckle*

Lila Pleban

I think it is fair.

Jess Spiers

Okay, Debbie, what about you?

Debbie Stimpson 16:27

Well, like Lila, Lila grew up, Lila and I grew up only miles apart in the wilds of Norfolk. I'm a farmer's daughter, so I grew up with a pitchfork in my hand, driving tractors and knee deep in mud with welly boots on. I have changed a bit, you'll be glad to know. But I guess the thing I really used to envy, back in the day when I was sort of out on the farm, was my friends who had a doll's house, a pretty doll's house with miniature everything. Miniature bed linen, miniature little cups and saucers that you could hardly pick up with your fingers. And even now, when I go around friends who've got children or grandchildren, you will usually find me in the playroom with the dolls house.

Jess Spiers 17:15

Oh yeah, I get that Debbie I never had one either, and I always really wanted one.

Lila Pleban 17:18

I did too.

Debbie Stimpson 17:19

Even talking about it now Jess is sort of, you know, making me want to ring one of my friends up, and I guess

Lila Pleban 17:25

interjects Why don't you buy one Debbie?

Debbie Stimpson

chuckle I could. I always find these questions really hard because I can sometimes narrow it down to two but never one. So the thing competing for my answer in this question is Scalextric. I was always properly envious of my cousins who had Scalextrics. When you spend your life just watching tractors that move, you know, at Alan Partridge speed. It's Scalextrics, is something to envy.

Lila Pleban 17:53

And I guess I was quite lucky because I've got a brother and he had a Scalextrics, so I never had to hanker over that, I could always play with his Scalextrics.

Debbie Stimpson

Oh, good for you. *laugh*

Jess Spiers 18:05

Rub it in Lila

Lila Pleban 18:07

I probably broke it a few times as well, much to his disappointment.

Debbie Stimpson *laugh*

Jess Spiers 18:10

Brilliant. Well, thank you so much Lila and Debbie and we hope that everyone listening has enjoyed the podcast today. You can find our podcast on our website, which one more time is www.fscs.org.uk and the usual places you find your other 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 for @FSCS. We recently launched our Instagram channel, so follow us for tips and guidance on how to make sure your money is protected. Thank you for listening.