



IMMEDIATE: 28 April 2015

MEDIA INFORMATION

FSCS announces final levy for 2015/16 at £319m

Volume of SIPP related claims is continuing to rise

Today the Financial Services Compensation Scheme (FSCS) announces its levy for 2015/16. The figure stands at £319m. That's an increase of £32m from the amount forecast in FSCS's *Plan and Budget* in January.

The increase is primarily because of a rise in claims relating to self-invested personal pensions (SIPPs). FSCS will levy firms in the life and pensions intermediation sector £100m in 2015/16 to fund the compensation costs for these claims.

There's good news for firms in other sectors though. The general insurance intermediation sector will not be receiving a levy bill in 2015/16 for PPI claims which have continued to decline.

Although FSCS expects to pay compensation costs totalling £28m for Alpari (UK) Limited in 2015/16, investment intermediation firms will see a decrease in their levy bill. This is because of a reduction in the costs relating to other investment defaults, and an expected increase in recovery forecasts for the coming year (including for Alpari).

FSCS Chief Executive Mark Neale says: "FSCS protects consumers when financial firms fail. We're there for people who have nowhere else to turn. The annual levy allows us to compensate consumers, and as a result, make a valuable contribution to consumer confidence."

Since its inception in 2001 FSCS has paid out more than £26bn to more than 4.5m people.

A full explanation of the 2015/16 annual levy can be found in the latest edition of FSCS's industry newsletter [Outlook](#).

Notes to editors

Annual levy 2015/16

Funding Classes	2015/16 Final Levy £m	2015/16 Indicative Levy £m	Variance £m	
Deposits (SA01)	13	10	3	↑
General Insurance Provision (SB01)	62	68	(6)	↓
General Insurance Intermediation (SB02)	-	-	-	
Life & Pensions Provision (SC01)	-	-	-	
Life & Pensions Intermediation (SC02)	100	57	43	↑
Investment Provision (SD01)	-	-	-	
Investment Intermediation (SD02)	116	125	(9)	↓
Home Finance Intermediation (SE02)	5	3	2	↑
Base Costs	23	24	(1)	↓
	319	287	32	

About the FSCS

The Financial Services Compensation Scheme (FSCS) is the UK's statutory compensation scheme for customers of authorized financial services firms. This means that FSCS can pay compensation if a firm is unable, or likely to be unable, to pay claims against it. FSCS is an independent body, set up under the Financial Services and Markets Act 2000 (FSMA), and funded by a levy on authorized financial services firms. FSCS does not charge individual consumers for using its service. For more information visit www.fscs.org.uk