

FSCS CONTINUES TO PROVIDE REASSURANCE IN TIMES OF UNCERTAINTY

Research shows that 83% of people feel reassured knowing FSCS exists to protect their money, a significant increase from 77% in March 2016

New research by the Financial Services Compensation Scheme (FSCS) shows that almost two-thirds of respondents feel reassured knowing that FSCS protects their money if their bank, building society or credit union fails. On 30 January 2017, the FSCS protection limit increased from £75,000 to £85,000 following a consultation from the Prudential Regulation Authority.

The research by Populus, of a representative sample of 2,038 adults across the UK, found that 78% of people think a deposit protection scheme should exist. People do not think it is just well-off savers that benefit from the scheme, as 66% of respondents said that FSCS benefits everybody, regardless of how much money they have saved up.

In a year of changes in the UK, consumers' trust in banks and building societies that are FSCS protected is the same, at an average of 6 out of 10. Three quarters (76%) of respondents are confident their money is safe in banks and building societies and credit unions, when they know about FSCS.

Mark Neale, FSCS Chief Executive, said: "FSCS continues to protect people if their bank, building society or credit union fails. Following the limit increase earlier this year, the scheme protects even more of peoples' savings.

"Providing reassurance to people that their money is safe is our priority. I am pleased that more people feel reassured by the Scheme. It is also encouraging that trust in banks, building societies and credit unions protected by FSCS remains strong in what has been an year of changes in the UK. Consumers can check they are covered by visiting our protection checker at www.fscs.org.uk/protected."

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Notes to editors

1. FSCS is the UK's statutory compensation scheme for customers of authorised financial services firms. FSCS is funded by the financial services industry and protects investment business, deposits, home finance – mortgage – advice, and general insurance and insurance broking. FSCS can pay for financial loss if a firm cannot pay claims against it. We are independent, and do not charge individual customers for using our service.

2. Before FSCS can declare a bank, building society or credit union in default and pay compensation to its customers, it must be satisfied the firm cannot repay deposits because of its financial circumstances, and has no current prospect of being able to do so.
3. The findings are from a survey of 2,038 people across the UK carried out by Populus on 11-12 January 2017. A summary of the results is available on request.
4. The FSCS compensation limit increased to £85,000 on Monday 30 January 2017. The Prudential Regulation Authority ran a consultation on this increase throughout November and December 2016. The decision was taken to raise the limit as the value of the pound has decreased in the last 12 months and the limit is fixed by reference to €100,000 under the European Deposit Guarantee Scheme Directive.
5. For more information on FSCS, please visit www.fscs.org.uk