

GROUND-BREAKING NEW INDUSTRY WIDE AGREEMENT TO RAISE AWARENESS OF DEPOSIT PROTECTION FOR CONSUMERS

The new agreement means the “FSCS Protected” badge will appear even more widely on banking websites and apps

A new agreement on how deposit-takers communicate about FSCS protection has launched today. This will enhance consumer awareness of the Financial Services Compensation Scheme’s (FSCS) guarantee for deposits in banks and building societies and reassure them that their money is protected under the scheme no matter how they choose to bank. This protects deposits up to £85,000 per person, per firm.

Under Prudential Regulation Authority (PRA) regulations, banks and building societies are already required to display FSCS stickers in branches and on posters and leaflets. However, after a successful collaboration, this new agreement, supported by UK Finance and the Building Societies Association (BSA), goes much further to cover the following consumer channels and documents:

- Websites
- Mobile banking apps
- Customer information sheets

This agreement means banks and building societies will use the FSCS badge in a consistent way across these channels which will also include advertising. This will help to make people more aware of the protection FSCS provides for their deposits and savings.

Banks and building societies have 18 months to implement this agreement. The final guidance is being sent out to banks and building societies today detailing the new agreement and is already being rolled out by individual bank and building societies according to their own internal timescales.

Mark Neale, FSCS Chief Executive, said: “I am extremely pleased that UK Finance, the BSA, and their members have committed to including the “FSCS protected” badge on their websites, apps and information sheets. FSCS continues to protect people if their bank, building society or credit union fails and it is important that consumers are aware of this and feel reassured.

“I also hope many firms will also include FSCS on their broadcast marketing, outdoor advertising and other communications channels. Research from earlier this year showed that almost two-thirds of respondents felt reassured knowing that FSCS protects their money.”

Stephen Jones, UK Finance CEO, said: “Implementing this FSCS badge agreement will further boost customer awareness of deposit protection across the UK retail banking sector. The industry works in partnership with FSCS to promote its protection and knows the reassurance this provides to customers. We want to ensure that depositors understand that their money is protected which is why we support the FSCS in building awareness of the vital protection it provides.”

Robin Fieth, BSA CEO, said: “This agreement demonstrates building societies’ commitment to their members. We know the FSCS plays a valuable role in consumer confidence and we support them in that. This new agreement will enable customers not only to feel reassured that their money is safe but also enable them to make informed decisions on where they keep their savings.”

-Ends-

For more information call Angus Wood at Hanover Communications on 07771 332 302 or fscs@hanovercomms.com.

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. UK Finance and the BSA are part of the FSCS Consumer Awareness Advisory panel of industry and consumer organisations that is involved with the campaign. The industry funds the FSCS and the compensation it provides through annual levies.
4. FSCS would like to thank the PRA and the following organisations for their work on the agreement:
 - UK Finance
 - The Building Societies Association
 - Nationwide
 - Coventry Building Society
 - Yorkshire bank
 - Lloyds (Halifax)
 - Barclays
 - RBS
5. For more information on FSCS, please visit www.fscs.org.uk
6. The infographic below sets out the requirements in the new agreement:

Regulatory requirements for In-branch materials

- External A4 sticker/poster
- Internal poster
- Cashier sticker display
- Leaflet (booklet) provision

Industry requirements

(as part of the voluntary agreement)

- Digital:
 - Web
 - Mobile banking Applications (apps)
- FSCS Information sheet (subject to PRA agreement)

Optional channels

- TV advertising
- Outdoor advertising
- Radio advertising
- Product and marketing literature
- Press advertising

About UK Finance

UK Finance is a new trade association which was formed on 1 July 2017 to represent the finance and banking industry operating in the UK. It represents around 300 firms in the UK providing credit, banking, markets and payment-related services. The new organisation brings together activities previously carried out by the Asset Based Finance Association, the British Bankers' Association, the Council of Mortgage Lenders, Financial Fraud Action UK, Payments UK and the UK Cards Association.

For further information on UK Finance please contact:

Nicola Hussey
Tel: 020 3934 1040
Nicola.hussey@ukfinance.org.uk

About the Building Societies Association

The Building Societies Association is the voice of the UK's 44 building societies and several large credit unions. Our members have total assets of over £345 billion, and account for a fifth of the UK mortgage and savings markets.

For further information about the BSA please contact:

Amy Harland
Tel: 020 7520 5927
amy.harland@bsa.org.uk