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MEDIA INFORMATION

FSCS announce no interim levy for 2013/14

Review of claims show costs will be lower in current year

The Financial Services Compensation Scheme (FSCS) has announced that it no longer expects to raise an interim levy on investment intermediaries for 2013/14. The move follows a review of the number of claims coming in and the timing of compensation payments.

Following publication of our Plan and Budget 2014/15, FSCS indicated that it expected to raise an interim levy on investment intermediaries of £30m. This was because of an expected increase in compensation costs resulting from claims against Catalyst Investment Group Limited and Fyshe Horton Finney Limited.

Since then we have updated our assumptions about which claims we will process in this financial year, and the next. We now expect to start processing claims against Catalyst Investment Group Limited slightly later than previously thought, with most of these costs likely to fall into 2014/15.

Mark Neale, FSCS Chief Executive, said: "New information on the volume and timing of claims suggests we do not need to levy the industry for more money during 2013/14. That is good news for firms. We still expect claims relating to Catalyst Investment Group Limited during next year. So, we will update the industry when we have more information on what this change means for 2014/15 when we announce the levy in April."

Notes to editors

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

Information on the FSCS funding system is available at <http://www.fscs.org.uk/industry/funding>