

## **MPs and public call for banks and building societies to do more to promote FSCS protection**

*Firms must do more and should include FSCS in their adverts for protected products*

Britain's MPs believe that financial services firms must do more to tell consumers about the Financial Services Compensation Scheme (FSCS). A new poll reveals that more than three-quarters of MPs believe banks and building societies should include the FSCS in their advertising. 84% of MPs agree that firms should have to tell people about FSCS when selling financial products.

There is also very strong support among MPs for firms to have to tell people when they exceed the £85,000 deposits limit. And 81% of MPs agree banks and building societies should warn people when they go over the limit. The measure is supported by 76% of the general population.

ComRes carried out the MP research for FSCS and asked parliamentarians a range of questions about the role of the FSCS and their awareness of it.

The results show strong support for building awareness of the compensation scheme. MPs believe FSCS plays a vital role in promoting consumer confidence and financial stability. 79% of MPs agree there is lack of public awareness of FSCS and 81% believe increasing awareness of FSCS will increase consumer confidence and financial stability.

Mark Neale, FSCS Chief Executive, says the industry has made strides in promoting the FSCS in the last few years. "But there is still a long way to go. Our research suggests that banks and building societies are improving the quality of information they give to people about FSCS. We welcome their efforts to do this. However, too few people still know about the protection FSCS provides, which the industry funds so more needs to be done.

"Our research shows strong support among MPs of all political parties for banks and building societies to include FSCS in their advertising. This happens in the United States; it is one of the reasons so many people in that country are aware of their deposit protection scheme.

"Some firms are starting to do more to promote FSCS. We commend them for their forward thinking attitude. It's too late for people to find out about FSCS when a run on a bank starts. We believe firms can, and should, do more. Importantly, MPs and the public also support people being told when they exceed the compensation limit. We hope firms will take up the challenge and continue working with us to improve awareness of the Financial Services Compensation Scheme."

FSCS was at the heart of responding to the bank failures, paying out some £26bn while protecting more than 4.5m people. FSCS protects financial services firms authorised and regulated in the UK by the Financial Services Authority. It covers deposits, insurance and investments.

## **Notes to Editors:**

### **1. About the FSCS**

The Financial Services Compensation Scheme (FSCS) is the UK's statutory compensation scheme for customers of authorised 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 authorised financial services firms. FSCS does not charge individual consumers for using its service. For more information visit [www.fscs.org.uk](http://www.fscs.org.uk)

FSCS aims to pay compensation in the majority of cases within seven days of a bank, building society or credit union failing. Any remaining claims, which are likely to be more complex, will be paid within 20 working days. This is the Europe-wide target for pay outs following the failure of all deposit takers within the EEA. FSCS, which is free to consumers, has helped more than 4.5 million people and paid out more than £26 billion since 2001.

### **2. About the research**

ComRes interviewed 152 MPs online and by postal questionnaire between 17 January and 11 February 2013. Data were weighted by political party and region to reflect the exact composition of the House of Commons.

GfK NOP interviewed 1,000 adults aged 16+ by telephone between 7 and 9 December 2012. Data has been weighted to bring it in line with national profiles. GfK NOP is a Company Partner of the Market Research Society (MRS). All work was carried out in accordance with the MRS Code of Conduct and the ISO 20252 international standard for market, opinion and social research.