

“Everyone be calm, this is a stick up”

A huge stick up operation is taking place across UK banks, building societies and credit unions today but customers need not panic. Instead they are being reassured that their money is safe in the unlikely event that the institution they deposit their hard earned cash with goes bust.

UK authorised banks, building societies and credit unions are telling customers their savings and deposits are protected by the Financial Services Compensation Scheme (FSCS). They are *sticking up* information prominently by putting posters and stickers in branches as well as information on their websites. This action follows the introduction of new FSA rules obliging deposit takers to display information about FSCS protection available to consumers.

FSCS protects consumers if banks, building societies or credit unions go bust. Since 2001 it has helped more than 4.5 million people and paid out more than £26 billion. It covers the full range of financial services.

Banks, building societies and credit unions have to display compensation stickers or posters in branch windows, along with a sticker at the cashier’s window or desk, and a further poster in a prominent position inside. The UK branches of foreign banks from the European Economic Area (EEA) have to specify that their customers are not covered by FSCS and clearly state which national scheme provides protection.

[Mark Neale, Chief Executive of FSCS](#), said: “The banking crisis shows how important it is for consumers to have clear information about the protection which is available to them. We never again want to witness a run on a bank because people are not aware their money is safe.

“We have been working with major firms to help build consumer awareness about FSCS. Firms should ensure that information about protection is prominently displayed in branches and online, and that their employees are able to answer questions. FSCS underpins public confidence in the industry, so making our protection visible at the point of sale will help to increase consumer awareness.”

Peter Tyler, Director of the British Bankers’ Association, said: “It is important for customers to understand the protection arrangements which apply to their deposits, whether provided by FSCS or an overseas scheme. The highly visible posters and stickers in branch from today will help to inform customers in this regard and provide assurance that their money is safe.”

Hilary McVitty for the Building Societies Association, said: “We know a great number of building society customers are confident that their money is safe but the disclosure requirements will reinforce that confidence and knowledge of the limits. And for those customers not so aware of the protection, having information about the limits clearly on display, where consumers interact with their society is a positive move.”

-ENDS-

For further information please contact Claire Morgans on 020 7400 4480 or Michael Monk on 020 7375 8635. Alternatively email fscs@hanovercomms.com or michael.monk@fscs.org.uk.

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. The 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

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.

2. About FSA disclosure requirements

The FSA made its announcement on 28 May and it takes effect from 31 August. The prescribed wording for different types of institutions is as follows:

UK and non-EEA banks (including EEA subsidiaries):

For deposit takers with a single brand/ trading name

"Your eligible deposits with [insert name of firm] are protected up to a total of £85,000 by the Financial Services Compensation Scheme, the UK's deposit protection scheme. Any deposits you hold above the £85,000 limit are not covered."

For deposit takers with multiple brands/ trading names:

"Your eligible deposits with [insert name of firm] are protected up to a total of £85,000 by the Financial Services Compensation Scheme, the UK's deposit protection scheme. This limit is applied to the total of any deposits you have with the following: [insert names of brands as appropriate]. Any total deposits you hold above the £85,000 limit between these brands are not covered."

Optional wording for Credit Unions with a single brand/ trading name:

"Your eligible deposits are protected up to a total of £85,000 by the Financial Services Compensation Scheme, the UK's deposit protection scheme. Any deposits you hold above the £85,000 limit are not covered."

UK branches of EEA banks:

Single brand/ trading name banks

"Your eligible deposits with [insert name of firm] are protected up to a total of 100,000 euro by [insert name of compensation scheme] the [insert home state of scheme] deposit protection scheme and are not protected by the UK Financial Services Compensation Scheme. Any deposits you hold above the 100,000 euro limit are not covered."

Multiple brands/ trading names Banks:

"Your eligible deposits with [insert name of firm] are protected up to a total of 100,000 euro by [insert name of compensation scheme] the [insert home state of scheme] deposit protection scheme and are not protected by the UK Financial Services Compensation Scheme. This limit is applied to the total of any deposits you have with the following: [insert names of brands as appropriate]. Any total deposits above the 100,000 euro limit are not covered."