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MEDIA INFORMATION

FSCS default declarations open the way for consumers to claim compensation

Consumers can claim compensation of up to £48,000 if they have lost money as a result of their dealings with any one of 23 firms that the Financial Services Compensation Scheme (FSCS) has recently declared in default. FSCS is the UK's statutory fund of last resort for customers of regulated financial services firms. The service is free to consumers.

Declaring a firm in default is the final part of a process whereby a regulated firm (such as a financial adviser) has been found by FSCS to be unable to pay claims. This means that customers who have lost money as a result of dealings with one of these firms can make a claim for compensation to FSCS.

"The Scheme plays a vital role in reassuring consumers that if a financial services firm fails there is somewhere they can go for help," says Loretta Minghella, Chief Executive. "If they have had dealings with one of these firms, and believe they may have lost money, they should contact us."

Consumers who believe they may have a claim should contact the Scheme on 020 7892 7300.

A list of the 23 investment firms is attached. Further information about FSCS's work is available from its website at www.fscs.org.uk.

FSCS covers:

- investments,
- deposits,
- insurance,
- mortgage advice and arranging (from 31 October 2004), and
- advice about general insurance and the arranging of policies (from 14 January 2005).

See Notes to Editors for more information about FSCS.

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Notes to Editors:

1. About FSCS

The Financial Services Compensation Scheme (FSCS) is the UK's statutory fund of last resort 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). Our service is free to consumers.

2. Declaring a firm in default

Before FSCS can pay compensation it must be satisfied that a firm is unable to meet claims. It describes this as being 'in default'. The Scheme will declare a firm in default if:

- it has received at least one claim; and
- it is satisfied that the firm is unable (or likely to be unable) to pay claims against it.

FSCS is required to do this before we can pay compensation to eligible claimants.

Declaring a firm in default allows consumers who believe they may have lost money as a result of their dealings with that firm to apply to us for compensation.

3. Authorised firms

Our rules are made by the Financial Services Authority (FSA), the independent watchdog set up by government under FSMA to regulate financial services in the UK and protect the rights of consumers. The rules tell us which types of claim are eligible for compensation, and limit how much compensation we are allowed to pay. Firms need permission from the FSA to carry out a regulated activity, which covers activities such as accepting deposits, insurance business and investment business

Dealing with an authorised firm gives consumers access to the Financial Ombudsman Service (FOS) and FSCS. Consumers can check that the firm they are dealing with is authorised by contacting the FSA's Consumer Helpline on 0845 606 1234.

4. Fund of last resort

As a fund of last resort, FSCS can only pay compensation for financial loss where a firm is unable to meet claims. For investment claims, compensation aims to put consumers back into the position they would have been in had they not invested. The compensation limit for investment claims is £48,000 per person.

5. Investment claims

The kinds of investment claims FSCS handles usually relate to advice – for example, if somebody has been advised to buy an investment product such as an endowment policy, but it was unsuitable for them and they have lost money as a result of the advice they received. FSCS can pay compensation for financial loss arising from, for example, bad advice, negligent investment management and fraud. FSCS can also help if an authorised investment firm stops trading and cannot return its customers' investments or money.

Declarations by FSCS

9 May 2006

Midlands

Eric Archer & Mavis Archer t/a National Pensions and Investment Bureau, 8 Rocheberie Way, Rugby, Warwickshire, CV22 6EG

North

Arthur Roby Limited, 35 Springfield Road, Blackpool, FY1 1PZ

P J Mathews and W Mathews t/a William's Life Pension Mortgage & Insurance Service, 48 South Street, Ilkeston, Derbyshire, DE7 5QN

Redbank Financial Services Limited (In Liquidation), Sankey Chambers, 47 Sankey Street, Warrington, Cheshire, WA1 1SL

Richard Henry Maxwell Faulkner t/a Richard Faulkner Associates, 1 Cabot Close, Old Hall, Warrington, Cheshire, WA5 9QQ

South Cheshire Financial Services Limited, 29 Middlewich Road, Sandbach, Cheshire, CW11 9DW

Scotland

Alva Street Investments Limited, 11 Alva Street, Edinburgh, Scotland, EH2 4PH

Campbell Smith Financial Services Limited, 127 West Blackhall Street, Greenock, Renfrewshire, Scotland, PA15 1YF

John Simpson t/a John Simpson Financial Services, 6 Woodland Gardens, Hamilton, ML3 7JE

South East (including London)

Aegis Insurance Brokers Limited, Aegis House, Castle Hill, Maidenhead, Berkshire, SL6 4JL

Bailey Curtis Limited formerly Bailey Curtis (Mortgage & Insurance Brokers) Limited, 1 Shire Lane, Chorleywood, Hertfordshire, WD3 5WD

Cultactual Limited, 6 Angood Close, Princes Risborough, Buckinghamshire, HP27 9BA

Joseph Silk & Kevin Mudd t/a Overseas Financial Services, Centric House, 391 The Strand, London, WC2R 0LT

Mewburn Hayward (1988) Limited, 10 Station Approach, Purley, Surrey, CR2 2AP

Midas Financial Services Limited (dissolved), P.O Box 56. Lupton Road, Hithercroft Industrial Estate, Wallingford, OX10 9BS

Mr Derek Ellis t/a Ellis Connell Financial Services, 51 South Street, Isleworth, Middlesex, TW7 7AA

Nigel Charles Webb Chown formerly t/a Montague Chown Associates, 62 Northway, Hampstead Garden Suburb, London, NW11 6PA

P.C. McGovern t/a I.S.K., 97 London Road, Teynham, Kent, ME9 9QL

Read McLaren Limited, 69 Park Road, Peterborough, Cambridgeshire, PE1 2TN

South West

A W Huxham formerly t/a Healthcare Financial Management, 7 High Street, Exmouth, Devon, EX8 1NN

Yorkshire and Humberside

Lucas & Lucas Limited, 5 Royal Parade, Harrogate, North Yorkshire, HG1 2SZ

Paul Sherratt t/a Paul Sherratt Esq, 6 Durham Road, Birtley, County Durham, DH3 1QG

Yorkshire Financial Clinics Limited, 28 Devonshire Street, Keighley, West Yorkshire, BD21
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