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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 26 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."

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.

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

A list of the 26 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.

Declarations by FSCS

13 June 2006

East

L Draper & T Cliss t/a Gilt Financial Services, The Insurance Centre, 42 High Street,
Cheshunt, Herts, EN8 0AQ

Midlands

Brian Knight & Associates, 8 Queen Victoria Road, Coventry, CV1 3JH

Paynes Insurance & Pension Services Limited, Stamford House, 3 Hill Street, Hinkley,
Leicestershire, LE10 1DS

Rothwell McGarva & Company Limited, 131 Old Birmingham Road, Bromsgrove,
Worcestershire, B60 1DF

R Smith t/a Roger Smith Independent Financial Adviser, Meadow Lane, Burton Joyce,
Nottingham, Nottinghamshire, NG14 5EX

North

Eccleston Park Financial Planning Services Limited, PO Box 5, 48 High Street, Prescot,
Merseyside, L34 2TX

Hackney & Leigh (Mortgages & Financial Services) Ltd, 100 Stricklandgate, Kendal,
Cumbria, LA9 4PLL

**The IFA Company (CA) Ltd formerly The Informed Financial Advice Company Limited
Formerly Cleator Moor Insurance Brokers Limited**, 31 Main Street, Egremont, Cumbria,
CA22 2DR

Scotland

The Carrington Gordon Financial Services Group Limited, 51 Queen Street, Edinburgh, EH2 3NS

South East (including London)

Ableaid Plc (formerly the Marchmain Consultancy Plc), 377 City Road, London, EC1

A Greening t/a Evergreen Insurance Services, 52 Marlow Bottom Road, Marlow, Buckinghamshire, SL7 3NB

Biddlecombe & Salkeld, Capstan House, High Street, Hamble, Hampshire, SO3 5HA

B J Pearson (Financial Services) Limited, 104 Northdown Road, Cliftonville, Margate, Kent, CT9 2RE

G Hall t/a Acorn Pension & Financial Services, Chiltern House, Market Square, Princes Risborough, Buckinghamshire, HP17 0AT

Independent Insurance Advisory Service, 229 London Road, Waterlooville, Hampshire, PO8 8DA

Independence Mortgage & Finance, 4 St. Johns Road, Windsor, Berkshire, SL4 2QN

J R Insurance Services Limited, Short Street, High Wycombe, Buckinghamshire, HP11 2QH

Kevin Quigley formerly t/a Alex Browne Financial Services, 71 Parkway, Regents Park, London, NW1 7PP

Merrydown Kent (Thamesmead) Limited, 55 Northcross Road, East Dulwich, London, SE22 9ET

R & J Hope Financial Services, 14 Portman Drive, Queens Park, Billericay, Essex, CM12 0PE

South West

2 C I Financial Services Limited, 323 Holdenhurst Road, Bournemouth, Dorset, BH8 8BT

Wales

Johns Bowen Financial Services Limited, 23 St Andrews Crescent, Cardiff, CF1 3DB

P Lickorish & P Lickorish t/a Border Insurance Services, Woodside Bank, New Radnor,
Powys, LD8 2TG

Yorkshire and Humberside

Ball & Crosby (Life & Pensions) Limited, 35 Harrison Road, Halifax, West Yorkshire, HX1
2AX

Duck Abbey (Life & Pensions) Limited, 112 Spring Bank, Hull, HU3 1QD

Minet Denison Financial Services Limited formerly Denison Financial Services Limited,
Woolpack House, The Stonebow, York, YO1 2PH