



**IMMEDIATE: 01.12.09**

**MEDIA INFORMATION**

**Default declarations pave the way for consumers to claim compensation from FSCS**

Consumers could claim up to £48,000 if they have lost money as a result of their dealings with any of the 15 investment firms the Financial Services Compensation Scheme (FSCS) has declared in default. The FSCS is the UK's statutory compensation scheme for customers of regulated financial services firms and does not charge individual consumers for using its service.

The types of investment claim the FSCS handles usually relate to financial advice. For example, if somebody was advised to buy an investment product, such as an endowment policy, but it was unsuitable for them and they lost money as a result of the advice they received, they may be entitled to make a claim.

Declaring a firm in default is the final part of a process in which a firm regulated by the Financial Services Authority has been found by the FSCS to be unable, or likely to be unable, to pay claims against it. This means that customers who have lost money as a result of dealings with one of these firms might be able to make a claim for compensation to the Scheme.

The FSCS covers investments, deposits, insurance, home finance advice and arranging (from 31 October 2004), and advice about general insurance and the arranging of policies (from 14 January 2005).

A list of the 15 investment firms the FSCS has recently declared in default can be found below. Consumers who believe they may have a claim should contact the FSCS on 0800 678 1100 or 020 7892 7300, or by email at [enquiries@fscs.org.uk](mailto:enquiries@fscs.org.uk). More information about the FSCS's work and how to claim is available on its website at [www.fscs.org.uk/consumer](http://www.fscs.org.uk/consumer).

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## **Notes to Editors:**

### **1. UK's statutory Compensation scheme**

As the UK's statutory compensation scheme, the FSCS can only pay 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 up to £48,000 (100% of the first £30,000 and 90% of the next £20,000) per person per firm "in default."

### **2. Declaring a firm in default**

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

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

The FSCS is required to do this before it 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 the FSCS for compensation.

### **3. Authorised firms**

The FSCS's rules are made by the Financial Services Authority (FSA), the independent watchdog set up by the government under FSMA to regulate financial services in the UK and protect the rights of consumers. The rules tell the FSCS which types of claim are protected by the FSCS, what the eligibility criteria for claimants are, and limit how much compensation it is 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.

## **Declarations by FSCS**

**December 2009**

### **EAST**

**J.R. Murdoch Insurance Services Limited**, 24A EAST STREET, ST. IVES, HUNTINGDON, PE27 5PD

**MFM Financial Limited (formerly Martin Financial Management Limited)**, 3 CRESCENT COURT, HIGH STREET, BILLERICAY, CM12 9AQ

### **MIDLANDS**

**Simply Loans Direct Limited**, 9-10 FREDERICK ROAD, BIRMINGHAM, WEST MIDLANDS B15 1JD

**Talisman Financial Services Limited**, KINGS COURT, 30 THE GREEN, KINGS NORTON, BIRMINGHAM, WEST MIDLANDS B38 8SD

**T & H Partnership LLP**, TWIN OAKS, HAUGHTON VILLAGE, SHROPSHIRE, TF11 8HR

### **NORTH EAST**

**SFM Wealth Management Limited (formerly Solicitors Financial Management (Newcastle) Limited and Solicitors Financial Centre (Newcastle) Limited)**, ALEXANDER HOUSE, KINGSWAY NORTH, TEAM VALLEY TRADING ESTATE, GATESHEAD, NE11 0JH

### **NORTH WEST**

**Bollington Financial Services Limited**, PALMERSTON HOUSE, BOLLINGTON, MACCLESFIELD, CHESHIRE, SK10 5PW

### **SCOTLAND**

**Wilson Insurance Services t/a Wilson Estates**, 102 NEWHAVEN ROAD, EDINBURGH, SCOTLAND, EH6 4BS

### **SOUTH EAST**

**Woodbridge Associates**, 7 HIGH STREET, DATCHET, SLOUGH, BERKSHIRE, SL3 9EA

**C. F. Bartlett & Company Limited**, FOURWAYS HOUSE, 121 NELSON ROAD, TWICKENHAM, MIDDLESEX, TW2 7AZ

## **WALES**

**Trustguard Credit Services Limited**, STANGATE HOUSE, STANWELL ROAD, PENARTH,  
SOUTH GLAMORGAN, WALES, CF64 2AA

## **YORKSHIRE AND HUMBER**

**Howard Broadley and Company**, 2A BOOTHAM, YORK, NORTH YORKSHIRE, YO30 7BL

**IFA Centre Limited (formerly HWPS Limited)**, 81 WEST END DRIVE, CLECKHEATON,  
WEST YORKSHIRE, BD19 6JD

**Liberty Financial Consultants**, CENTURY BUSINESS CENTRE, CENTURY BUSINESS  
PARK, MANVERS, ROTHERHAM, SOUTH YORKSHIRE, S63 5DA

**M Clipson t/a Eagle Financial Services**, THE MEWS, 6 WELHOLME ROAD, GRIMSBY,  
SOUTH HUMBERSIDE, NORTH EAST LINCOLNSHIRE, DN32 0DU