

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 31 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 31 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

11 April 2006

Midlands

Taylor Trinder & Associates Limited, 150 Highfield Road, Hall Green, Birmingham, B28 0HT

North

Agnew Lowther & Bates (Financial Management) Limited, Unit 10D Thursby Road, Croft Business Park, Bromborough, Wirral, CH62 3PW

Heath Insurance and Investment Consultants Limited (in Liquidation), 1st Floor, 1 Canute Square, Knutsford, Cheshire, WA16 6BQ

Ian Matthews trading as Peninsular Insurance Financial Advisors, 8 Regent Road, Wallesey, Wirral, Merseyside, L45 8JU

Jones Sheridan (Financial Services) Limited, Cleveland House, 28-32 Edleston Road, Crewe, Cheshire, CW2 7HD

Quantum Brokers Limited, 8 Ray Street, Heanor, Derbyshire, DE7 7GE

Scotland

Alexander Stewart formerly trading as Stewart Accountancy Services, 81 Templehill,

Troon, Ayrshire, KA10 6BQ

J S Shaw Investment Services Limited, 59 Tomnahurich Street, Inverness, Inverness-Shire, IV3 5DT

Minet Duncan Insurance Services Limited (formerly Duncan Insurance Brokers Limited), 11 George Square, Glasgow, G2 1DY

South East (including London)

Baronworth Limited, 370 Cranbrook Road, Gants Hill, Ilford, Essex, IG2 6HY

Blick Stephenson Limited, 12 Station Road, Longfield, Dartford, Kent, DA3 7QD

Farnham Realisations Plc (in compulsory liquidation) formerly known as Wisemans Plc and Robert C. Wiseman (Insurance) Limited, 34 Church Road, Ashford, Middlesex, TW15 2UY

H N Consultants Limited (in liquidation) formerly known as Newman Houghton & Co Limited, The Old Station, Station Road, Groombridge, Kent, TN3 9RD

Hampstead Financial Services Limited, College House, Finchley Road, London, NW3 5ET

John Paul McGlade trading as John Paul McGlade Personal Financial Planning, 9-11 High Beech Road, Loughton, Essex, IG10 4BN

Kensington Financial Services (UK) Limited, 6 Catherine Court, Callow Street, London, SW3 6BG

Melville J. Burbage & Associates (Insurance Brokers) Limited, 31 Bartholomew Street, Newbury, Berkshire, RG14 5LL

Michael John Bishop and Marion Jean Bishop formerly trading as Michael J. Bishop Life & Pensions, 51 Leamington Avenue, Bromley, Kent, BR1 5BJ.

Mills Allen Limited (formerly P D Associates Limited), Jubilee House, 19-21 High Street, Whitton, Twickenham, TW2 7LU

Morestead Financial Services Limited, Epworth House, 25 City Road, London, EC1Y 1AA

Mr Paul Nigel Todd trading as Phillips Financial Services, Albany House, 82-86 Southend, Croydon, Surrey, CR0 1DQ

P A Barnes (Life and Pensions) Limited, 160 Bedford Road, Kempston, Bedford, MK42 8BH

Paul Newberry and Michael Lane formerly trading as Michael Lane & Partners, 51 Southgate Street, Winchester, SO23 9EH

Peter Leslie Hill formerly trading as P. & R. Insurance Services, 233 Thorpe Hall Avenue, Southend-on-Sea, Essex, SS1 3SG

Robert Edward & Co Limited, 1A Selsdon Road, South Croydon, Surrey, CR2 6PU

Ziegler Rickman Limited, 16 – 18 Southampton Road, Ringwood, Hampshire, BH24 1HY

South West

Regal Elite Services Limited formerly known as Regal & Universal Investments (UK) Limited trading as The Pension and Investment Centre, Unit 7, Berkeley Mews, Cheltenham, Gloucestershire, GL50 1DY

Wales

Arthur G Davis & Co, 34 Kimmel Street, Rhyl, LL18 1AN

Yorkshire and Humberside

E C Sayers (Life & Pensions) Limited, 115 Wellgate, Rotherham, S60 2NH

Proplan (Finance) Limited, The Old Bath House, 3 Manor Lane, Shipley, West Yorkshire, BD18 3EA

Sterling GB Limited (in liquidation), 5 Dalesway House, South Hawksworth Street, Ilkley, West Yorkshire, LS29 9LA