



IMMEDIATE: 23.08.2006

MEDIA INFORMATION

BBB Network Limited (formerly Berkeley Independent Advisors Limited) declared in default by FSCS

The Financial Services Compensation Scheme (FSCS) has declared the former Berkeley Independent Advisors Limited in default, paving the way for consumers to receive compensation from the Scheme.

Consumers can claim compensation of up to £48,000 if they have lost money as a result of negligent advice from Berkeley Independent Advisors Limited. "It is important for consumers to know that if they have had dealings with this firm, and believe they may have lost money as a result of negligent advice, they can contact us," says Loretta Minghella, Chief Executive.

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

FSCS can pay compensation for claims relating to bad 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 also pay compensation for financial loss arising from negligent investment management and fraud, or if an authorised investment firm stops trading and cannot return its customers' investments or money.

The full details of the firm are:

BBB Network Limited formerly Berkeley Independent Advisors Limited and Berkeley Financial Planning Limited (BIA), Eaton House, 1 Eaton Road, Coventry, West Midlands, CV1 2FJ

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.