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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 22 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 kinds of investment claims the FSCS handles usually relate to 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 22 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. More information about the FSCS's work and how to claim is available on its website at www.fscs.org.uk/consumer.

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.

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 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.

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 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 eligible for compensation, 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

August 2009

EAST

Royvale Limited, 151 FELIXSTOWE ROAD, IPSWICH, SUFFOLK IP3 8EB

Weller, Russell & Laws Financial Services Limited (formerly Weller & Co (Life & Pensions) Limited), 4 RED LION STREET, BOSTON, LINCOLNSHIRE, PE21 6NY

William A Grey, 119 WORTHING ROAD, LOWESTOFT, SUFFOLK, NR32 4HB

MIDLANDS

Coldicott Financial Services Limited (formerly David Coldicott (Mortgage & Pension Services) Limited), 2 MALTINGS COURT, 2 ANDERSON ROAD, BEARWOOD, WEST MIDLANDS B66 4AR

Henry Payne Insurance Services, 51 COLE VALLEY ROAD, HALL GREEN BIRMINGHAM, B28 0DE

OK Finance Limited, CALICO HOUSE, FURNESS VALE, HIGH PEAK, DERBYSHIRE, SK23 7SW.

NORTH EAST

Derek Craig, Esq., WEST HOUSE, MAIN ROAD, RYTON, TYNE AND WEAR NE40 3AJ

SCOTLAND

McGee Lindsay & Company, DALZIEL WORKSPACE, MASON STREET, MOTHERWELL, LANARKSHIRE, GLASGOW, ML1 1YE

SOUTH EAST

Godwin Higgins Insurance Brokers Limited, 52-54 GRACECHURCH STREET, LONDON, EC3V 0EH

I.D.S. Mortgage Pension & Investment Centre, HIGH STREET, THATCHAM, NEWBURY, BERKSHIRE, RG19 3JG

Lifelong Financial Planning Limited, SUITE 5, KNIGHTON CHAMBERS, 39 ALDWICK ROAD, BOGNOR REGIS, EX16 6PE

N Nicholson t/a Lighthouse (Vintry) and Guildhouse, 1ST FLOOR PRINCE RUPERT HOUSE, 64 QUEEN STREET, LONDON, EC4R 1AD

Nameshell 5 Limited formerly Blackwall Green Limited, 24-26 MINORIES, LONDON EC3M 1BY

Paradigm Wealth Management Limited (formerly Paradigm Financial Development UK Limited), SUITE 5, CHATMOHR ESTATE OFFICE VILLAGE, CRAWLEY HILL, WEST WELLOW, ROMSEY, HAMPSHIRE SO51 6AP

Princeton Financial Management Limited, 8 SALISBURY COURT, LONDON, EC4Y 8AA

R Church and E Tucker t/a Glinthurst Insurance & Financial Consultants, 16 READING ROAD, FLEET, HAMPSHIRE, GU52 7QL

Sky Capital UK Limited formerly Everett Financial Limited and Everett Financial Management Limited, 20 ST. MARY AT HILL, LONDON, EC3R 8EE

Swanley and North Kent Insurance Brokers Limited, 11-13 STATION ROAD, SWANLEY, KENT, BR8 8ES

SOUTH WEST

Chatterton Bennett Insurance Services (aka Chatterton Bennett Life & Financial Services), 57 LONDON ROAD, STROUD, GLOUCESTERSHIRE, GL5 2AD

WALES

F Harding (deceased) t/a Fred Harding (Insurances) & Co, 6 BRUNSWICK ROAD, BUCKLEY, CLYWD, CH7 2EF

YORKSHIRE AND HUMBER

Forsyth Lang & Company Limited, 8 LIDGETT LANE, GARFORTH, LEEDS, LS25 1EQ

GIBRALTAR

Eurolife Assurance (International) Limited, SUITE 2G, EUROLIFE BUILDING 1 CORRAL ROAD, GIBRALTAR