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MEDIA INFORMATION

FSCS helps customers of Picture Financial Services Plc claim compensation

Hundreds of former customers of Picture Financial Services Plc may be eligible to claim compensation from the FSCS now that the firm has been declared in default.

The firm specialised in selling payment protection insurance (PPI) for mortgages and was declared in default in July. The FSCS is currently dealing with more than 600 claims connected to Picture Financial Services Plc. The Scheme is aiming to complete claims within six months now that the firm has been declared in default.

The FSCS is gearing up to help customers of Picture Financial Services Plc who have a claim against the firm. The Scheme is already dealing with claims and we hope to make the first payments this month.

Consumers who have lost money through their dealings with Picture Financial Services Plc may be able to claim compensation of 100% of the first £2,000 and 90% of the balance with no upper limit. Individuals who think they may have a claim against the firm should contact the FSCS on 0800 678 1100 or 020 7892 7300 or email enquiries@fscs.org.uk.

The FSCS is the UK's statutory compensation scheme for customers of authorised financial services firms. It protects investment business, deposits, life and general insurance as well as home finance advice and arranging. During the last year, the FSCS has come to the aid of more than 3.5 million UK consumers after several major failures including five banks and a number of investment intermediary firms.

Details of the firm are below:

Picture Financial Services PLC, PICTURE HOUSE, IMPERIAL WAY,
COEDKERNEW, GWENT, NP10 8UH

You can find more information about the FSCS on its website at www.fscs.org.uk

1. 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 paying 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.

2. 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.