



IMMEDIATE: 30/10/2006

MEDIA INFORMATION

FSCS launches new consumer guide and online flowcharts

Consumers who have a claim against a firm that is no longer trading can now get help and information about who to approach from a new consumer guide produced by the Financial Services Compensation Scheme (FSCS).

As well as basic information about FSCS, the guide, *How we can help*, includes two useful flowcharts: one designed to help consumers work out whether FSCS may be able to help with their claim, and the other providing a step-by-step guide to how FSCS deals with an investment claim. FSCS has also launched interactive versions of these flowcharts on its website at www.fscs.org.uk/consumer

Loretta Minghella, FSCS chief executive says: "FSCS provides a vital service to consumers who have nowhere else to turn. It is important that they understand who we are, what we do, and the limits to the protection we can provide. Our new consumer guide and online flowcharts are designed to do just that."

A major part of FSCS's work is dealing with claims from consumers who have been mis-sold investments, such as endowments or pensions. In 2005/06 FSCS received 22,250 new investment claims, an 87% increase over the previous financial year. The majority of these claims related to mortgage endowments. FSCS also experienced an increase of 120% in phone calls in the last financial year, and a 30% increase in written enquiries.

"We have seen significant increases in claims and enquiries over the last few years. We hope this new guide and interactive services will be really useful tools for consumers who may need our help," says Loretta Minghella.

In February this year FSCS launched an online questionnaire for consumers who want to make an endowment claim against a firm that is no longer trading. The online service helps people who think they may have been mis-sold an endowment policy decide whether they have a claim that FSCS may be able to help with.

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. 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.

3. 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.

For more information visit www.fscs.org.uk