



IMMEDIATE: 03.10.2007

MEDIA INFORMATION

FSCS to protect customers of Your Health Plus Insurance Services Limited

The Financial Services Compensation Scheme (FSCS) is stepping in to help customers of Your Health Plus Insurance Services Limited, Stylus House, London Road, Bracknell, Berkshire, RG12 2UT, who may have lost money after the firm went into administration. FSCS has now declared this firm in default.

FSCS may be able to pay compensation to those policyholders who paid premiums to the firm for the Safety Net insurance policy if Your Health Plus had not set up this policy. More than 100 policyholders are expected to be affected nationwide.

“We would advise anyone who has bought Safety Net insurance through this firm to check that they have insurance cover in place. If their insurance was bought on or after 14 January 2005, and they think they may have lost money, they should contact us. We may be able to help,” says Jonathan Clark, Director of Claims for FSCS. “We aim to deal with claims within six months of a firm being declared in default and we process most deposit claims within four weeks of receipt.”

FSCS is the UK’s statutory fund of last resort for customers of regulated financial services firms. It provides a free and impartial service to consumers who have claims against regulated firms that are unable to pay them (described by FSCS as being “in default”). Intermediaries first became regulated by the Financial Services Authority (FSA) to sell insurance on 14 January 2005. Customers may be eligible for protection if they buy general insurance policies from a regulated firm after that date.

For claims against general insurance intermediaries FSCS can pay compensation of 100% of the first £2,000 plus 90% of the balance.

FSCS has written to policyholders of Your Health Plus Insurance Services Limited and we are currently dealing with claims.

Anyone who believes they may have a claim for compensation should contact the Scheme on 020 7892 7300.

For more information about FSCS see Notes to Editors section or visit www.fscs.org.uk
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Notes to Editors:

1. Insurance claims

From 14 January 2005 consumers were eligible for protection if they buy general insurance policies through an authorised firm in the UK, or in some cases a firm's branch in the EEA.

The Scheme is triggered if an authorised firm goes out of business and cannot meet claims against it. FSCS may be able to help if, for example:

- a customer has been mis-sold a policy and has lost money as a result;
- the firm becomes insolvent and can't return money owed to a customer;
- a customer is a victim of fraud.

2. 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.

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).

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 claims against general insurance brokers, FSCS can pay compensation of 100% of the first £2,000 plus 90% of the balance.

4. 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.

5. 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.