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MEDIA INFORMATION

FSCS sends first email to over 200,000 UK Icesave customers

The first emails to UK customers of Icesave are now going out with more information about how to claim back their savings, the Financial Services Compensation Scheme said today.

The email is the first stage of a process that will lead to compensation for thousands of Icesave customers. It will be followed up by FSCS sending second emails to customers, in phases, with a view to starting compensation payments in the second week of November as planned.

The second email will provide instructions on how depositors can log on to their existing Icesave accounts in the normal way to complete a short electronic process allowing them to receive their compensation. Once UK depositors complete the process, their money will transfer to their nominated account in a BACS transfer within five working days. The process of sending out the second email is being phased to manage the flow of payments through the system and for security reasons.

FSCS Chief Executive Loretta Minghella said: "We are pleased to say the first email is now going to UK Icesave customers with more information about how they can claim back their money. This marks the first stage of an accelerated payout process that will benefit the vast majority of UK Icesave customers. We have been working hard to get the system in place. It is another step towards offering compensation to the vast majority of UK Icesave customers by the end of November."

Any Icesave customers who do not receive their first email from FSCS by the close of business on Friday should contact FSCS on 0845 7300 131 (Icesave enquiries only). The Icesave website will be unavailable from now until the end of the week whilst it is developed to pay compensation. Customers are asked not to log in until their second email which will specifically invite them to do so.

UK Icesave customers who opt not to use the accelerated payout process will still be able to claim compensation using a paper-based application process although this will take longer. The same process will also be used for anyone who does not have a nominated account which is necessary for the accelerated process, although FSCS believes that this may only apply to a minority of UK depositors.

Notes to Editors:

1. About FSCS

The Financial Services Compensation Scheme (FSCS) is the UK's statutory compensation scheme 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). The service is free to consumers.

2. Authorised firms

The rules under which we operate tell us which types of claims are eligible for compensation, and limit how much compensation we are allowed to pay. They are set by the Financial Services Authority (FSA). 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. Limits of compensation

As the UK's statutory compensation scheme, FSCS can only pay compensation for financial loss where a firm is unable, or likely to be unable to meet claims. For deposits, the compensation limit is 100% of the first £50,000 and applies to each eligible depositor for the total of their deposits with an authorised firm, regardless of how many accounts they hold.