



IMMEDIATE: 05.12.08

MEDIA INFORMATION

FSCS urges Icesave customers to claim their compensation

FSCS has contacted almost all 214,713 Icesave customers offering them compensation following the closure of the internet bank Icesave. Of the 198,219 customers eligible to use the online system more than 174,000 people have now completed the process; however, there are still about 24,000 who have not yet transacted. FSCS urges those individuals who have not yet claimed their compensation to log on and complete the simple online process as soon as possible.

By 30 November FSCS had sent emails to all Icesave customers eligible to use the online system offering them the chance to transact and claim their compensation. So far £3.2 bn has been paid to UK Icesave customers. In addition, some fixed rate savings account holders, with total deposits of £650m, have chosen to be paid compensation at maturity. The FSCS's online process will remain active until 30 December 2008. After that date, UK customers of Icesave who have not claimed will not be able to do so using the electronic process. In January 2009 FSCS will send a paper application form to those who have not transacted online. The aim is to process paper application forms within six weeks of receiving them back from claimants.

Jonathan Clark, Director of Claims at FSCS says: "We are glad to have been able to help so many savers in such a short period of time. The accelerated online process we have created has enabled the vast majority of Icesave customers to claim their compensation. Those who have not yet claimed can do so by logging on to their Icesave accounts and following the instructions in the second email, which is posted on our website. The process only takes a few minutes and will avoid any further waiting or paperwork."

"There were a small number of individuals who were not able to access the online system and most have been sent paper application forms, the majority of which have been returned and are already being processed. We are continuing to work as fast as possible in order to compensate the UK Icesave customers still waiting for compensation."

FSCS is sending letters this week to those individuals who are eligible to claim via the online system but have not yet claimed. All the letters will have been sent by the end of this

weekend. The letter informs claimants that they can claim online as soon as they are able following the instructions in the second email. The second email can be accessed on FSCS's website in case anyone is still experiencing difficulties receiving it.

There were around 17,000 UK Icesave customers who were unable to claim compensation through the online process. Approximately 16,000 of those have been sent an application form and the remaining 1,000 will receive them shortly. FSCS has started processing those application forms that have been returned and aims to complete claims within six weeks of receipt.

The sending of some ISA certificates has been delayed after scheduled pre print testing identified an issue in relation to certificate data. This issue was relevant to a small proportion of the certificates and has now been resolved. For some people this has resulted in their ISA certificates arriving later than FSCS originally planned and FSCS apologises for any inconvenience. FSCS is sending out ISA certificates to more than 9,000 Icesave customers this week and more than 50,000 certificates in the next week. UK Icesave customers will be able to use the certificates to open new ISAs by 5 April 2009 without losing their tax status.

FSCS is aware that there are still individuals waiting for compensation. FSCS remains committed to making sure everyone receives their money as soon as possible.

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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 organisation, regardless of how many accounts they hold or whether they are a single or joint account holder.