



IMMEDIATE: 03.09.10

MEDIA INFORMATION

Help on the way for members of Landsker Credit Union

Help is on the way for more than 800 members of the Landsker Credit Union. The Financial Services Compensation Scheme (FSCS), which pays out when banks, building societies or credit unions fail, is stepping in to help members of the credit union in Kilgetty, Pembrokeshire.

Chief Executive Mark Neale says: "Members of the Landsker Credit Union are bound to be concerned about its closure but they do not need to worry. We are pulling out all the stops to compensate people with money at risk as a result of the failure. We are sending applications forms to all Landsker members and ask them to return them to us as soon as possible so we can process their claims."

The FSCS provides a fund of last resort for consumers who have claims against FSA regulated firms that are unable or likely to be unable to pay them (described by the FSCS as being "in default"). The FSCS has declared this credit union in default, which means that the Scheme can now consider compensation claims from members who have lost money. The FSCS can pay compensation of up to 100% of the first £50,000 lost per person.

Anyone who has not received a form within the next two weeks, but believes they have a claim should contact our customer services team on 020 7892 7300 or 0800 678 1100.

The full name and address of the credit union is:

Landsker Community Credit Union Limited
Spring Gardens
Narberth
Pembrokeshire SA67 7AW

Press Enquiries:

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Notes to Editors:

1. UK's statutory Compensation scheme

As the UK's statutory compensation scheme, the FSCS can only pay for financial loss where a firm is unable to meet claims. The compensation limit for deposit claims is £50,000 per person per firm.

2. 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.

3. Authorised firms

Our rules are made by the 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.