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MEDIA INFORMATION

Financial Services Authority declares Charles Dutton Asset Management Limited in default for ICD claims

Consumers can claim compensation of up to £48,000 from the Financial Services Compensation Scheme (FSCS) if they have lost money as a result of their dealings with Charles Dutton Asset Management Limited of Glebe House, Abberton, Colchester, Essex CO5 7NY. The Financial Services Authority (FSA) has declared the firm in default

FSCS is the UK's statutory compensation scheme for customers of financial services firms regulated by the FSA. Declaring a firm in default is the final part of a process in which an investment firm is found to be unable, or likely to be unable, to pay claims against it in relation to any regulated investment services or activities. This means that customers who have lost money as a result of dealings with this firm might be able to make a claim for compensation to FSCS. The FSA was required to declare this firm in default as it was authorised under the Investment Services Directive and the investor's claim is covered by the Investors Compensation Directive.

"FSCS's primary role is to help people who have lost money after doing business with an authorised firm if that firm is unable to meet claims made against it," says Loretta Minghella, Chief Executive. "It is important that we let consumers know that we may be able to help if they have nowhere else to turn."

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). It provides a free service to consumers.

The kinds of investment claims FSCS handles usually relate to advice. For example, if somebody has been advised to buy an investment product such as an endowment policy, but it was unsuitable for them and they have lost money as a result of the advice they received.

Consumers who believe they may have a claim should contact FSCS on 020 7892 7300, or by email at enquiries@fscs.org.uk. Further information about FSCS' work and how to claim is available from its website at www.fscs.org.uk.

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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). Our service is free to consumers.

2. UK's statutory Compensation scheme

As the UK's statutory compensation scheme, FSCS can only pay 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.

3. 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'. FSCS (or the FSA in relation to ICD claims) 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.

A firm must be declared in default before FSCS 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 FSCS for compensation.

4. 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.