



31 August 2013

MEDIA INFORMATION

## **Banks and building societies will keep boosting awareness of FSCS protection**

***Deposit-takers are pledging to continually reassure consumers about the safety of their money, one year on from new regulation***

Over the last year, the financial services industry has made important strides in promoting Financial Services Compensation Scheme (FSCS) protection - but there is still more to do. On the first anniversary of rules obliging deposit-takers to display information about FSCS protection available to consumers, FSCS Chief Executive, Mark Neale is commending the UK's biggest banks and building societies for the work to date, and the progress made, and urging continued innovations to reassure the public that their money is protected by FSCS.

Since 31 August 2012, regulations have required UK authorised banks, building societies and credit unions prominently to display FSCS posters and stickers in branches, as well as having information on their websites. People will continue to find information about FSCS protection and the deposits limit in branches and high streets up and down the country. FSCS research shows that people who are aware of FSCS are reassured, and more likely to buy financial products.

FSCS is keen to work with the industry to help people understand the protection they enjoy under the industry funded compensation scheme.

**Mark Neale, Chief Executive of FSCS**, said: "Disclosure by firms is important because it can engage consumers and deliver the protection message when it is most relevant to people. However it is not sufficient on its own. Financial services firms have day-to-day contact with their customers and are well placed to promote FSCS protection which we know consumers value. We need their assistance to amplify our protection message. Indeed, some have already done so."

Firms already going beyond the minimum requirement to publicise FSCS include Barclays, who have included FSCS's logo in print advertising; HSBC who featured FSCS's protection messages on in-branch radio; RBS who are incorporating FSCS's logo in direct marketing; and Santander who feature FSCS's protection message prominently online.

75% of MPs believe that banks and building societies should feature FSCS in their advertising, as is the case with the equivalent scheme in the United States, the Federal Deposit Insurance Corporation (FDIC). FSCS is currently in discussions about the possibility of firms featuring FSCS in television advertising.

**FDIC Chairman Martin J. Gruenberg**, said: "Public awareness is critical to the success of an effective deposit insurance system. This has been a key objective of the FDIC in the U.S. banking system. I commend Chief Executive Neale and the

FSCS for this initiative to improve public understanding of the U.K. deposit insurance scheme.”

FSCS, which is independent and free to consumers, has helped more than 4.5m people and paid out more than £26bn since 2001. The financial services industry funds the scheme through a compulsory levy.

**-ENDS-**

## **Notes to editors**

### **1. About the 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), and funded by a levy on authorised financial services firms. FSCS does not charge individual consumers for using its service. For more information visit [www.fscs.org.uk](http://www.fscs.org.uk)

### **2. About the disclosure requirements**

From 31 August 2012 UK-authorised banks, building societies and credit unions were obliged to display information about FSCS protection available to consumers. This mandated that they put up posters and stickers in branches, as well as information on their websites. Deposit takers with multiple brands/trading names are required to list the other brands which share the £85,000 compensation limit. The UK branches of EEA banks are obliged to say they are not protected by FSCS and to outline which state deposit scheme they comes under.

### **3. About the FSCS awareness campaign**

The first phase of FSCS's awareness campaign ran from 1 January 2011 to 31 March 2011. The second phase is running from 14 January 2013 to 31 March 2014 and seeks to reassure people about the safety of their savings. The campaign features 'Icons of Protection', with visuals designed to be simple and clear but with a bold visual style to grab people's attention. The campaign includes print, radio and digital display advertising, as well as an [informative campaign microsite](#).

### **4. About the MP polling**

ComRes interviewed 152 MPs online and by postal questionnaire between 17 January and 11 February 2013. Data were weighted by political party and region to reflect the exact composition of the House of Commons. In addition to the question on whether banks and building societies should feature FSCS in their advertising, 79% of MPs agree there is lack of public awareness of FSCS and 81% believe increasing awareness of FSCS will increase consumer confidence and financial stability.