Embargoed 14 September 2012	MEDIA INFORMATION

Survey shows two thirds confident they would get their money back if a deposit taker failed

Only small minority think they would lose their cash in the event of a failure

People are increasingly confident they will get their money if a bank was to fail, according to new research for the Financial Services Compensation Scheme (FSCS). 66% of people surveyed said they would definitely or probably get their money back if a bank went bust.

Only 12% believe they would *not* get their money back in the event of their bank or building society going bust. 30% of those questioned definitely think they would get their money back, while a further 36% possibly think they would get their money back. 22% admit they do not know what would happen.

Along with people in Scotland, those in the North East, lead the way in awareness of compensation in the event of a bank running into difficulty. 73% of people in these two regions believe they will either definitely or possibly get their money back if their bank went bust.

The news comes in research for FSCS by GfK NOP on the fifth anniversary of the run on Northern Rock.

However, it also found a quarter of those aged over 16, equivalent to over 12.5 million people in the UK, said they would definitely try to immediately withdraw their money from their bank if it appeared to be in trouble.

And a further four in ten would 'possibly' do so while 21 % said they would not try to withdraw their money.

Mark Neale, Chief Executive of FSCS, said: "The run on Northern Rock and the bank failures of 2008 are still a vivid memory for many people. They showed just how important it is for consumers to be aware of the protection which is available to them. This is essential to consumer confidence.

"Time has not stood still and nor has FSCS. So there is no reason for a run on any deposit taker. Over the last five years there has been a significant improvement in FSCS protection for people's deposits. The limit is now £85,000 so the vast majority of people are covered. People can now see about FSCS protection in their branch and through their online banking. In the unlikely event of a bank or building society going bust, the vast majority of people would get their money back in seven days. With these measures in place, consumers can be sure that FSCS will protect their savings."

FSCS protects consumers if banks, building societies or credit unions go bust. Since 2001 it has helped more than 4.5 million people and paid out more than £26 billion. The financial services industry pays for FSCS 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

FSCS aims to pay compensation in the majority of cases within seven days of a bank, building society or credit union failing. Any remaining claims, which are likely to be more complex, will be paid within 20 working days. This is the Europe-wide target for pay outs following the failure of all deposit takers within the EEA.

2. The run on Northern Rock
On the evening of Thursday 13 September 2007 it was revealed that Northern Rock had asked for, and been granted, emergency funding support from the Bank of England (in its role as lender of last resort). Northern Rock had relied heavily on the markets, rather than savers' deposits, to fund its mortgage lending but found that the markets had dried up. The following day customers queued to withdraw money from Northern Rock in what was the biggest run on a British bank for more than a century.

In September 2007 total compensation was £31,700, with consumers receiving 100% of the first £2,000 and 90% of the next £33,000. Pay-outs were also net of any balances owed in loans/mortgages. In 2007 pay-outs could take up to nine months, compared to seven days in 2012 as a result of the introduction of a single customer view of funds.

3. About FSA disclosure requirements
Since 31 August 2012 UK-authorised banks, building societies and credit unions have been obliged to tell their customers their savings and deposits are protected by FSCS. They need to do this by displaying compensation stickers or posters in branch windows, along with a sticker at the cashier's window or desk, and a further poster in a prominent position inside. The UK branches of foreign banks from the European Economic Area (EEA) have to specify that their customers are not covered by FSCS and clearly state which national scheme provides protection. This is as a result of FSA rules which were announced on 28 May 2012.

4. About the research
The research was carried out by GfK NOP, who interviewed 1,000 individuals aged 16+ and residing in the UK between 20 and 22 August 2012. The interviews were conducted online via GfK NOP's online panel of over 200,000 internet users. GfK NOP Limited is a Company Partner of the Market Research Society (MRS). All work was carried out in accordance with the MRS Code of Conduct and the ISO 20252 international standard for market, opinion and social research.

The calculation on the number of adults starts with the latest ONS statistics (see table-1-united-kingdom-2010') from mid-2010. This showed there are 50,653,900 people aged over 16 in the UK, after the total number of under 16 year olds (11,608,100) is subtracted from the total UK population (62,262,000). Multiplying this by 0.25 gives 12,663,475.