

Split Capital Investment Trust Claims

Factsheet

The Financial Services Compensation Scheme (FSCS) is the UK's statutory fund of last resort for customers of authorised financial services firms. This means that FSCS can pay compensation to consumers if an authorised firm is unable, or likely to be unable, to pay claims against it. FSCS covers business conducted by firms authorised by the Financial Services Authority (FSA), the independent regulator of financial services in the UK. FSCS is an independent body, set up under the Financial Services and Markets Act 2000 (FSMA). Our service is free to consumers.

Split capital investment trust claims covered by FSCS

To qualify for compensation you must be eligible under our rules, which are set by the FSA. The rules tell us which types of claim are eligible for compensation, and limit how much compensation we can pay.

For split capital investment trust claims, you must be able to show that you lost money because:

- your dealings with the firm led you to buy a product that was unsuitable for you; or
- you were misled about the risk of the investment.

We can pay compensation only for financial loss.

Our rules mean we cannot look into claims for investment advice or investment business that took place **before 28 August 1988**. This is when investment business was first protected by an investor compensation scheme in the UK. Unfortunately, if you received advice from a firm before this date, we regret we cannot help you.

BFS plc (in liquidation)

FSCS has now declared BFS "in default". "In default" means that a firm is unable or likely to be unable to pay claims against it. This will generally be because it has stopped trading and does not have enough assets to meet claims, or is insolvent.

FSCS can now start to process claims for compensation and will aim to issue decisions to most investors by the end of August 2008.

We will decide claims against BFS under our own rules. This means a claim that is eligible under the liquidators' Creditors Voluntary Agreement (CVA) will not necessarily be eligible under our rules, and vice versa.

So you may submit a claim to the liquidators under the CVA and also to FSCS. We will continue to liaise with the liquidators to make sure we pay the correct compensation where due.

It is important to note that BFS Investments plc (BFS) is a separate legal entity from the investment trusts it promoted and managed, some of which included 'BFS' in their name.

Investment trusts are separate limited companies which are not regulated under FSMA 2000. This means that FSCS is not able to pay compensation for any loss caused by a document or action which is the responsibility of the Investment trust because FSCS only protects claims made against entities regulated by the FSA under FSMA 2000.

If you have any doubts about whether your claim might be eligible you should complete an application form so that we may properly consider your claim. FSCS is committed to providing compensation where a claim is eligible under our rules and would not wish an investor to miss out on compensation because they mistakenly believed a claim was not eligible.