

FSCS default declarations open the way for consumers to claim compensation

Consumers can claim compensation of up to £48,000 if they have lost money as a result of their dealings with any one of 17 firms that the Financial Services Compensation Scheme (FSCS) has recently declared in default. FSCS is the UK's statutory fund of last resort for customers of regulated financial services firms. The service is free to consumers.

Declaring a firm in default is the final part of a process whereby a regulated firm (such as a financial adviser) has been found by FSCS to be unable to pay claims, and this means that customers who have lost money as a result of dealings with one of these firms can make a claim for compensation to FSCS.

"This is good news for consumers who have nowhere else to turn if the firm they dealt with can't help," says Loretta Minghella, Chief Executive. "The existence of a fund of last resort for consumers helps to maintain confidence in the sector and encourages people to do business with authorised financial services firms."

Consumers who believe they may have a claim should contact the Scheme on 020 7892 7300.

A list of the 17 investment firms is attached. Full address details are available from FSCS's website at www.fscs.org.uk.

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).

See Notes to Editors for more information about FSCS.

Press Enquiries:

Suzette Browne: 020 7892 7372 Suzette.Browne@fscs.org.uk

Heather Tilston: 020 7892 7370 H.Tilston@fscs.org.uk

Telephone: 020 7892 7300

Website: www.fscs.org.uk

Notes to Editors:

1. About FSCS

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 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. Declaring a firm in default

On receiving a potential claim against a firm, FSCS will start an investigation into that firm's solvency. The Scheme will declare a firm in default if:

- it has received at least one claim (within its jurisdiction); and
- it is satisfied that the firm is unable (or likely to be unable) to pay claims against it.

We are required to do this before we 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 us for compensation.

3. 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 investments. Regulation provides access to the Financial Ombudsman Service 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.

4. Fund of last resort

As a fund of last resort, FSCS can only pay compensation to consumers who have lost money, and where a firm is unable to meet their claim. For investment claims compensation aims to put consumers back into the position they would have been in had they not invested.

5. When FSCS can help

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 or precipice bond, but it was unsuitable for them and they have lost money. FSCS can pay compensation for financial loss arising from, for example, bad advice, negligent investment management, and fraud, where the firm is unable to pay claims against it. FSCS can also help if an authorised investment firm stops trading and cannot return its customers' investments or money.

Declarations by FSCS

13 December 2005

North

Mr Raymond Daniel Kinsey trading as Kinsey & Brightwell Associates, Norwich,
NR13 5QY

Quentin Foulkes Financial Services Limited, Methwold, IP26 3RD

Northern Ireland

Alan Campbell (Financial Services) Limited, formerly Nelson Insurances Limited,
Belfast, BT41 1NT

**MFS (Yorkshire) Limited formerly known as Master Financial Services Limited and also
Towerclass Limited and also trading as Corporate World**, Belfast, BT9 5NS

Mr William and Mrs Dorothy Sharpe formerly trading as W D Sharpe & Company,
Coleraine, BT52 2HX

South East (including London)

34 Company Limited (formerly Quay Associates Limited), London, E14 9GE

Briardrake Limited, Harrow, HA1 4JE

Jeffery Flanders Limited, formerly Jeffery Flanders (Life & Pensions) Limited, Ripley,
GU23 6AN

McGinn (Mortgage, Life & Pensions) Limited, Twickenham, TW1 1RG

Miss Sarah Chipchase and Mrs Val Palmer-Smith trading as Griffin Steel & Company,
Horsham, RH12 1EQ

**Mr Bernard Langmead, Mr Roger Sherratt, Mr Francis Blann, Mr Victor Baker, Mr Peter
Price and Mr Henry Falkiner trading as Fennells Financial Services**, Farnborough, GU14
6DA

Paterson Lloyd Limited, Croydon, CR0 1ET

South West

K C Galpin Associates Ltd, Bristol, BS14 9BZ

R T Marke & Co Limited, Bideford, EX39 2AA

Wales

Du-Feu Asset Management Limited, Cardiff, CF4 4SN

Roy Rickett & Partners Limited (now Wanbase Limited), Cardiff, CF1 2AG

Yorkshire and Humberside

MBA Sterling (UK) Limited (In Liquidation), Sheffield, S9 1DH