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MEDIA INFORMATION

Customers of two insurance intermediaries can claim compensation from the FSCS

The Financial Services Compensation Scheme (FSCS) is stepping in to protect former customers of D C & C O Insurance Consultants and M Young Legal Associates Limited who may be entitled to compensation.

The firms specialised in advising on and arranging general insurance policies, but may not have passed on premiums they received from their customers to the relevant insurance companies, leaving those customers without valid insurance. The FSCS has declared both firms in default. This opens the way for consumers who believe they may have lost money as a result of their dealings with the firms to apply for compensation.

Loretta Minghella, Chief Executive of the FSCS says, "We have already started paying compensation in respect of these firms, and we're urging anyone who believes they may be owed money but has not yet made a claim to contact our Customer Services Team."

Consumers who have lost money through their dealings with D C & C O Insurance Consultants and M Young Legal Associates Limited may be eligible for 100% of the first £2,000 and 90% of the balance of their claim, with no upper limit.

The FSCS is the UK's statutory compensation scheme for customers of authorised financial services firms. It protects investment business, deposits, life and general insurance as well as home finance advice and arranging. During the last year, the FSCS has come to the aid of more than 3.5 million UK consumers after several major failures including five banks and a number of investment intermediary firms.

The Customer Services Team can be contacted on 0800 678 1100 or 020 7892 7300 or by email at enquiries@fscs.org.uk. You can also find more information about the FSCS on its website at www.fscs.org.uk.

Notes to editors:

1. Details of the firms

- D C & C O Insurance Consultants, 99 – 101 West Street, Bedminster, Bristol, BS3 3NU
- M Young Legal Associates Limited, 60 Fountain Street, Manchester, M2 2FE

2. 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'. The Scheme 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.

The FSCS is required to do this before paying 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 the Scheme for compensation.

3. Authorised firms

The FSCS's 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 explain which types of claim are eligible for compensation, and limit how much compensation the FSCS is 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 the FSCS. Consumers can check that the firm they are dealing with is authorised by contacting the FSA's Consumer Helpline on 0845 606 1234.