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MEDIA INFORMATION

FSCS declares five mortgage advice firms in default

Consumers across the UK can now claim compensation if they have lost money as a result of their dealings with five mortgage advisors the Financial Services Compensation Scheme (FSCS) has declared in default.

The FSCS is stepping in to protect individuals who may have lost money as a result of dealings with mortgage advisors PMSG Insurance Services Limited also trading as Professional Mortgages Services Group, Financial Quest UK Limited, Finance Direct (UK) Limited, First Class Mortgages Limited, and Network Data Limited.

Declaring the firms in default means they are unable or likely to be unable to pay claims against them and triggers FSCS protection for their customers.

Due to a recent change in the compensation limits, the maximum amount that consumers may be able to claim varies. For mortgage advice and arranging the maximum level of compensation for claims against firms declared in default before 1 January 2010 is 100% of the first £30,000 and 90% of the next £20,000 up to £48,000 per person per firm. However, if a firm was declared in default on or after 1 January 2010 the new compensation limit is 100% of the first £50,000 per person per firm.

Kate Bartlett, Director of Operations, says: "The FSCS's role is to help people who have lost money as a result of doing business with an authorised firm that is unable or likely to be unable to meet claims made against it. The FSCS helps to instil confidence in the financial services sector by ensuring consumers get the compensation they are entitled to when this happens. People who believe they may have a claim against the firms should contact the FSCS on 0800 678 1100 or 020 7892 7300, or by email at enquiries@fscs.org.uk."

The addresses of the firms are:

- | **PMSG Insurance Services Limited also t/a Professional Mortgages Services Group**
20 ST CUTHBERTS WAY, DARLINGTON, COUNTY DURHAM, DL1 1GB
- | **Financial Quest UK Limited** 126 MARKET STREET, HYDE, CHESHIRE, SK14 1EX
- | **Finance Direct (UK) Limited** THE WORKS, 5 UNION STREET, MANCHESTER, M12 4JD

- | **First Class Mortgages Limited** FIRST CLASS MORTGAGES LIMITED, CROWN HOUSE, CAMBRIDGE ROAD, BARKING, ESSEX, IG11 8NL
- | **Network Data Limited** NETWORK DATA LTD, BOTLEYS MANSION, CHERTSEY, SURREY KT16 0AP

Further information about the FSCS's work and how to claim is available on its website at www.fscs.org.uk/consumer.

Press Enquiries:

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Notes to Editors:

1. About FSCS

The Financial Services Compensation Scheme (FSCS) is the UK's statutory compensation scheme for customers of authorised financial services firms. This means that the 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). The FSCS does not charge individual consumers for using its services.

2. UK's statutory Compensation scheme

The 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).

As the UK's statutory compensation scheme, the FSCS can only pay for financial loss where a firm is unable to meet claims. For mortgage advice and arranging the maximum level of compensation for claims against firms declared in default **on or after 1 January 2010** is 100% of the first £50,000 per person per firm.

The maximum level of compensation for claims against firms declared in default **before 1 January 2010** is 100% of the first £30,000 and 90% of the next £20,000 up to £48,000 per person per firm.

3. Declaring a firm in default

Before the 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 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.

4. 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 investment business.

Dealing with an authorised firm gives consumers access to the Financial Ombudsman Service (FOS) 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.