



PRESS RELEASE: Friday 30th November 2001

FSCS launches consumer guide

The Financial Services Compensation Scheme (FSCS) has produced a guide for consumers, to help raise awareness of the work of the Scheme. FSCS will become the UK's single safety net for customers of financial services firms that have gone out of business, from midnight tonight.

The Scheme will act as a safety net for consumers if an authorised finance company is unable to pay claims against it. This is usually when a firm has gone out of business. The Scheme will cover insurance, deposits and investments and replaces existing schemes including the Investors Compensation Scheme, Deposit Protection Scheme and the Policyholders Protection Scheme.

Consumers rate the safety and security of their money as one of the most important factors when taking out investments, insurance or placing deposits, a MORI poll for FSCS recently showed.

But the survey also showed that the majority (63%) of consumers either are unaware that there is anyone who would compensate them for their loss, or wouldn't know who to turn to if a financial provider went bust.

"Consumers need to be aware that a safety net exists, if the worst happens," says FSCS Chief Executive Suzanne McCarthy. "We hope this new guide will go some way to help us achieve that."

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Notes to editors:

The booklet will be available on the Scheme's newly updated website, which goes live from midnight tonight: www.fscs.org.uk

Printed copies are available direct from the Scheme. Consumers can write to: FSCS, 7th Floor, 1 Portoken St, London, E1 8BN. Helpline: 020 7892 7300.

Advance press copies are available by e-mail or fax.

Eight compensation schemes will be replaced by the FSCS as a result of the implementation of the Financial Services & Markets Act. They are:

- Building Societies Investor Protection Scheme;
- Deposit Protection Scheme;
- the Friendly Societies Protection Scheme;
- Investors Compensation Scheme;
- the PIA Indemnity Scheme;
- Policyholders Protection Scheme;
- Section 43 Scheme (which covers business transacted with listed money-market institutions);
- The arrangement between the Association of British Insurers and the Investors Compensation Scheme Ltd for paying compensation to widows, widowers and dependents of deceased persons.

Technical note:

MORI conducted a total of 1933 interviews with adults aged 16+ across Great Britain. All interviews were conducted face-to-face, in-home between 25 and 30 October 2001. The data were weighted to reflect the national profile. Where figures do not sum to 100% this may be due to computer rounding, multiple codes or exclusion of 'Don't know'.