



17 December 2004

David Aaron Partnership declared in default by FSCS

The Financial Services Compensation Scheme (FSCS) has declared the David Aaron Partnership and David M Aaron (Personal Financial Planners) Limited in default, paving the way for consumers to receive compensation from the Scheme. Both of these firms traded, at different times, as The David Aaron Partnership.

“This is a large, complex default and we recognise that investors have been worried about what is happening,” says Loretta Minghella, Chief Executive. “However, we can now consider claims against both firms, so there is light at the end of the tunnel.”

The declaration of default is the final part of a process whereby FSCS determines that a financial services firm is, in its opinion, unable (or likely to be unable) to pay claims for compensation against it.

FSCS wrote yesterday (16th December) to all known claimants of The David Aaron Partnership to explain to them how to make a claim for compensation. Any consumers who believe they may have a claim, but have not received a letter by the New Year, should contact FSCS on 0207 892 7300, email enquiries@fscs.org.uk or log-on to www.fscs.org.uk

“FSCS’ role is to provide a fund of last resort for customers of financial services firms. We can step in to help consumers when a firm has claims against it, but is unable to pay, as is the case here,” says Loretta Minghella.

“Because of the large number of potential claims against these firms, the processing will take some time to complete. However, this announcement should come as a relief to those who, without FSCS, would be left with nowhere to turn. Our message to investors is that, whilst there is still some way to go, we are making progress.”

There are around 2,000 claims against the David Aaron Partnership, which could take up to nine months to complete. Claims will be processed in order of receipt. Investors facing immediate hardship will be prioritised.

FSCS is the UK’s single statutory compensation scheme covering investments, deposits, insurance and, from 31st October 2004, mortgage advice and arranging. It provides a fund of last resort for consumers who have claims against regulated firms that are unable to pay them. The limit for investment compensation is £48,000.

Financial services firms are regulated by the UK’s independent financial watchdog, the Financial Services Authority (FSA).

Press Enquiries:

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

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

General Enquiries: 020 7892 7300

Website: www.fscs.org.uk