

Embargoed until 00:01 hrs, 20th September 2004

FSCS will protect credit union members

The Financial Services Compensation Scheme (FSCS) is stepping in to protect members of Employee Credit Union (Luton Borough Council) Limited who may have lost money after the credit union became insolvent.

FSCS is the UK's statutory single compensation scheme covering investments, deposits and insurance. It provides a fund of last resort for consumers who have claims against regulated firms that are unable to pay them (described by FSCS as being "in default").

FSCS has declared Employee Credit Union (Luton Borough Council) Limited in default. This means that FSCS can now provide compensation to members of the credit union who have lost money.

For deposits FSCS can provide compensation of 100% of the first £2,000 and 90% of the remainder, up to a maximum of £31,700.

"This should be good news for members of this credit union who would otherwise have nowhere else to turn," says Ron Devlin, FSCS' Interim Chief Executive.

FSCS will send application forms to the members of the credit union to enable them to claim compensation from the Scheme. Members of the credit union who do not receive an application form from FSCS, should contact the Scheme on 020 7892 7300.

More information

FSCS is the statutory fund of last resort for customers of authorised firms, and was set up under the terms of the Financial Services and Markets Act 2000.

For more detailed information about the Scheme's work, consumers can visit www.fscs.org.uk or telephone FSCS on 020 7892 7300. The Scheme publishes a short consumer guide, *How we can help*, and a more detailed guide to claiming compensation, *How we handle your claim for compensation: deposits and investments*. Copies can be downloaded from its website at www.fscs.org.uk or can be requested by telephoning FSCS on the above number.

Consumers can check whether the firm they are dealing with is authorised by the FSA, by phoning the FSA's Helpline: 0845 606 1234.

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FSCS DEFAULT DECLARATIONS

The following credit union has been declared in default by FSCS:

Employee Credit Union (Luton Borough Council) Limited, Luton Borough Council, Town Hall, George Street, Luton, Beds LU1 2BQ