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MEDIA INFORMATION

Deadline approaching for 1,500 Icesave customers to claim compensation

Icesave or other UK Landsbanki customers wishing to be compensated need to send their claim to the Financial Services Compensation Scheme (FSCS) by 30 October 2009. After this date customers may not be able to claim compensation.

The FSCS has paid compensation to the vast majority of Icesave customers. Out of about 298,000 customer accounts only 1,500 accounts remain for which no application for compensation has been made. The Scheme has contacted the deposit holders of these accounts on several occasions to request that application forms are returned as soon as possible and by no later than 30 October 2009. There was more than £2.5m in these accounts when Icesave went into default.

The FSCS Chief Executive Loretta Minghella says: "The Icesave default presented us with huge operational challenges and left a large number of people anxious about their savings. We worked hard at putting new systems in place to compensate people quickly and the majority were compensated last year. Surprisingly there are still some customers who haven't claimed for compensation, despite several attempts to contact them. Anyone who still wants to make a claim should return their form to us as soon as possible to ensure they don't miss the deadline of 30 October."

Icesave was the UK branch of Landsbanki Islands hf, which is in the process of being wound up. Landsbanki is an Icelandic institution and as a result Icelandic law applies to this winding up. Icelandic law requires that all creditors must submit their claim against Landsbanki by no later than 30 October 2009. This is why Icesave and other UK Landsbanki customers who wish to make a claim for compensation to the FSCS need to do so before 30 October 2009.

Customers concerned about their application forms not reaching the FSCS, due to postal strikes, can submit a scanned version of their application form or email the

relevant information to the FSCS. Customers who want to submit a claim in this way should contact the FSCS on 0800 678 1100 or 020 7892 7300, or by email at enquiries@fscs.org.uk.

For more information about FSCS see Notes to Editors section or visit www.fscs.org.uk

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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 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 is ultimately funded by levies on authorised financial services firms. The FSCS does not charge individual consumers for using its service.

2. About Landsbanki and Icesave

On 8 October 2008, the UK branch of Landsbanki Islands hf, which operated Icesave, was declared to be in default by the Financial Services Authority. The FSCS provides protection for customers of authorised deposit-taking firms, such as banks, if they cannot repay deposits to their customers.

Icesave was the internet branch of the bank, which the majority of customers banked with. There were also a number of other UK customers who banked with the London branch of Landsbanki.

These depositors (if eligible) are protected for the first part of their loss (up to £16,872.99) by the Icelandic Depositors' and Investors' Guarantee Fund (the "DIGF") and for the next part of their loss (up to £50,000) by the FSCS. On 8 October 2008, the Chancellor of the Exchequer confirmed that all depositors with Landsbanki and Icesave would be fully compensated for their deposits, including what they are entitled to from the DIGF and any amounts above the maximum compensation payable by the FSCS.

The deadline of the 30 October 2009 will also apply in respect of any payment of compensation by or on behalf of the Government.