



**IMMEDIATE: 26.11.07**

**MEDIA INFORMATION**

**Consumers could claim up to £48,000 in compensation after FSCS steps in**

Consumers can claim compensation of up to £48,000 if they have lost money as a result of their dealings with any one of 19 firms that the Financial Services Compensation Scheme (FSCS) has recently declared in default. FSCS is the UK's statutory compensation scheme for customers of regulated financial services firms. It provides a free service to consumers.

Declaring a firm in default is the final part of a process in which a firm regulated by the Financial Services Authority (such as a financial adviser) has been found by FSCS to be unable, or likely to be unable to pay claims against it. This means that customers who have lost money as a result of dealings with one of these firms might be able to make a claim for compensation to FSCS.

"FSCS's primary role is to help people who have lost money after doing business with an authorised firm if that firm is unable to meet claims made against it," says Loretta Minghella, FSCS Chief Executive. "It is important that consumers know that FSCS may be able to help if they have nowhere else to turn."

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).

The kinds of investment claims FSCS handles usually relate to advice. For example, if somebody has been advised to buy an investment product such as an endowment policy, but it was unsuitable for them and they have lost money as a result of the advice they received.

A list of the 19 investment firms FSCS has recently declared in default is attached. Consumers who believe they may have a claim should contact FSCS on 020 7892 7300, or by email at [enquiries@fscs.org.uk](mailto:enquiries@fscs.org.uk). Further information about FSCS' work and how to claim is available from its website at [www.fscs.org.uk](http://www.fscs.org.uk).

**For more information about FSCS see Notes to Editors section or visit [www.fscs.org.uk](http://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). Our service is free to consumers.

### **2. Compensation scheme**

As the UK's statutory compensation scheme, FSCS can only pay for financial loss where a firm is unable to meet claims. For investment claims, compensation aims to put consumers back into the position they would have been in had they not invested. The compensation limit for investment claims is £48,000 per person.

### **3. Declaring a firm in default**

Before 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.

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.

## Declarations by FSCS

26<sup>th</sup> November 2007

### MIDLANDS

**Coburns Financial & Investment Consultants L.L.P.** 219 HANDLEY ROAD, NEW WHITTINGTON, CHESTERFIELD, DERBYSHIRE, S43 2ES

### NORTH

**Effective Financial Planning Limited**, 13 KING STREET, DELPH, OLDHAM, GREATER MANCHESTER, OL6 7QL

**Roger V Davenport Insurance Consultants Limited**, 339 HOLLINWOOD AVENUE, NEW MOSTON, MANCHESTER, M10 0JA

**R Powell t/a R & B Powell Insurance Services**, 8 HERTFORD CLOSE, WOOLSTON, WARRINGTON, WA1 4EZ

### SCOTLAND

**Cuthbert Service (Life & Pensions) Limited**, 111 BELL STREET, GLASGOW, SCOTLAND, G4 0UA

**E.C. Ewart and Son**, 69 CONSTITUTION STREET, LEITH, EDINBURGH, EH6 7AP

### SOUTH EAST (including London)

**BFS Investments PLC**, FRIARS COURT, FRIARAGE PASSAGE, AYLESBURY, BUCKINGHAMSHIRE, HP20 2SJ

**City Mortgage Services Limited**, 45A HAVEN GREEN, LONDON, W5 2NX

**Interalpha Financial Services Limited**, 24 HIGH STREET, SOUTHAMPTON, HAMPSHIRE, SO14 2DF

**I Brandon t/a Frank Richards and Company**, 48 VICTORIA ROAD, RUISLIP MANOR, MIDDLESEX, HA4 0AG

**Kingscroft Insurance Brokers Limited (formerly Kingscroft Insurance Brokers Limited)**, 3 THE PARADE, TRUMPS GREEN ROAD, VIRGINIA WATER, SURREY, GU25 4EH

**Maitland Limited**, TALBOT HOUSE, 204-226 IMPERIAL DRIVE, RAYNERS LANE, HARROW, MIDDLESEX, HA2 7HH

**Michael Beer Financial Services Limited**, 20 DONNINGTON SQUARE, NEWBURY,  
BERKSHIRE, RG14 1PJ

SOUTH WEST

**Alan Gibbs Mortgage & Financial Services**, 44 DEWELL MEWS, OLD TOWN, SWINDON,  
SN3 1QU

**Assister Limited**, 20 FAVERSHAM AVENUE, QUEENS PARK, BOURNEMOUTH, BH8 9NL

**Chambers Independent Financial Advisers Limited**, 27 GAY STREET, BATH, , BA1 2PD

**Sterling Asset Management Financial Planning**, 20 CATHEDRAL YARD, EXETER,  
DEVON, EX1 1HB

WALES

**Allan Furst Associates**, CARDIFF BUSINESS CENTRE, 24 CATHEDRAL ROAD,  
CARDIFF, CF1 9LJ

YORKSHIRE & HUMBERSIDE

**John Rae & Company (Insurance Brokers) Limited**, C/O THOMPSON HEATH & BOND,  
(NORTHERN) LIMITED, ENTERPRISE HOUSE, 12 ST., PAUL STREET, LEEDS, LS1 2LE