

## **PRIVATE AND CONFIDENTIAL**

Credit Union

31 March 2010

Dear Sir/Madam

### **This letter is intended for the person or persons leading on the Financial Service Authority's new Single Customer View rules Background**

As you will know, with effect from 31 December 2010, deposit takers are required to be able to generate a Single Customer View (SCV) file within 72 hours of a request being received from FSA or FSCS. The SCV will provide a single, consistent, view of an eligible claimant's aggregate protected deposits with a deposit taker.

This requirement is part of the reforms introduced with the Banking Act 2009, and follows two FSA Policy Statements<sup>1</sup> making amendments to the FSA Compensation Handbook (COMP) that are designed to facilitate 'Faster Payout' of compensation in the event that a deposit taker is unable to meet the claims of its depositors.

The SCV file will contain information required to support payout to credit union customers within a target of seven days should a credit union fail.

### **Credit Union Guide**

Our enclosed booklet is designed to provide Credit Unions with a summary of the key requirements that are likely to be of specific interest to you.

I would like to highlight the following points:

- Pre- implementation report – Credit Unions are required to submit a pre implementation report to the FSA no later than 31 July 2010 reporting on SCV readiness (as at 30 June 2010). Pre implementation reporting templates will be made available through the FSCS website in May 2010. In the meantime, you may be interested to view the required contents using the following link:
  - [http://www.fscs.org.uk/uploaded\\_files/SCV/verification\\_rules\\_summary.pdf](http://www.fscs.org.uk/uploaded_files/SCV/verification_rules_summary.pdf)
- Electronic exemption – deposit takers with less than 5,000 active eligible accounts are not required to establish an electronic SCV, but must notify the FSA if they fall below this threshold and choose not to comply with the electronic requirements. However, these deposit takers will still need to be able to supply the relevant SCV information when requested. Please note, credit unions who are exempt from the electronic requirements are still

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<sup>1</sup> [http://www.fsa.gov.uk/pages/Library/Policy/Policy/2009/09\\_11.shtml](http://www.fsa.gov.uk/pages/Library/Policy/Policy/2009/09_11.shtml)

[http://www.fsa.gov.uk/pubs/policy/ps09\\_18.pdf](http://www.fsa.gov.uk/pubs/policy/ps09_18.pdf)

required to submit the pre implementation report mentioned above, although it is a simplified form. The electronic notification form can be found on the FSA website and can be found in Appendix 1 of the enclosed Credit Union Guide.

- Consumer notification – Credit Unions are now required to provide specific information to depositors about the Financial Services Compensation Scheme. The text to be used is prescribed in the FSA Compensation rules (COMP) and can be found in Appendix 2 of the enclosed Credit Union Guide.
- Verification - Those credit unions not subject to the electronic exemption are required to submit an SCV file to the FSCS for 'verification' no later than 31 January 2011. All deposit takers (including credit unions) will shortly receive a letter outlining this process in more detail.

FSCS is working with the Credit Union trade associations and software suppliers to promote awareness of the new FSA requirements. In addition to preparing the enclosed guide, we are also maintaining a detailed Question and Answer document on our website which can be found by using the following link:

[http://www.fscs.org.uk/uploaded\\_files/SCV/faster\\_payout\\_qa\\_22\\_feb\\_2010.pdf](http://www.fscs.org.uk/uploaded_files/SCV/faster_payout_qa_22_feb_2010.pdf)

If you have any questions related to SCV, and/or would to receive updates regarding the SCV requirements, please send an email to [fasterpayoutenquiries@fscs.org.uk](mailto:fasterpayoutenquiries@fscs.org.uk).

Yours faithfully

Alex Kuczynski

Interim Chief Executive