



## **Faster Payout – 10 December 2010 Update**

## **SCV Questions and Answers**

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# 1. Introduction

- 1.1 The purpose of this document is to provide deposit takers with a summary of the amendments that have been made to the FSCS Faster Payout Q&A document. The updates included in this document will be incorporated into the FSCS Faster Payout Q&A
- 1.2 The FSA's policy and rules detailing the SCV requirements was published in the Policy Statement Banking and Compensation Reform (PS09/11<sup>1</sup>). Further rules governing the verification requirements and the smaller firm exemption notifications were published in November 2009 (PS09/18)<sup>2</sup>. Setting and enforcing the regulatory framework, including the SCV requirements referred to in this document, remains the responsibility of the FSA.
- 1.3 SCV is defined as 'a single, consistent view of an eligible claimant's aggregate protected deposits with the relevant firm which contains the information required by *COMP...*'. Section 3 of this document answers some of the questions the FSCS has been asked in relation to the SCV file itself, Section 4 considers eligibility issues, Section 5 answers questions in relation to the aggregate balance calculation and Section 6 covers SCV transmission. Section 7 covers FSA Reporting, Section 8, SCV Exclusions, and Section 9 – Pilot Feedback.
- 1.4 The information is presented as a series of questions and answers (Q&As). The Q&As should not be relied on as legally definitive or conclusive or comprehensive. The information contained in this document cannot be relied upon as demonstrating compliance with FSA rules. The FSCS cannot accept responsibility for any errors or omissions or any act arising from them. If deposit takers have any doubts about a particular regulatory requirement, they are strongly recommended to seek their own expert and legal advice. The FSCS will however seek to facilitate any such discussions it can.

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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)

<sup>2</sup> [http://www.fsa.gov.uk/pages/Library/Policy/Policy/2009/09\\_18.shtml](http://www.fsa.gov.uk/pages/Library/Policy/Policy/2009/09_18.shtml)

## **2. Milestones**

2.1. No updates to Chapter 2 – Milestones.

### 3. The Single Customer View File

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#### Question 3.29

**Are there any characters (e.g. @ or !) that are prohibited from use by COMP?**

No. COMP does not restrict the use of characters such as @ or !.

However, use of the characters (see Table 2 below) within any fields within your SCV file will result in the SCV ID being extracted for manual inspection by FSCS.

*Table 2: Single Customer View – Additional check characters*

Character
!
\$
%
*
+
;
<
=
>
?
@
^
-
~
DEL

## 4. Eligibility

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### Question 4.21 (Updated December 2010)

**What additional money laundering checks are required under the SCV COMP rules?**

Deposit takers are not required undertake additional money laundering checks over and above those checks they are already legally obliged to complete.

## 5. Calculation

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### Question 5.24 (Updated December 2010)

#### Structured deposits

#### **How should deposit takers deal with the return element of a structured deposit, where the return calculation is unknown?**

Where the return element of a structured deposit cannot be calculated until a particular point in time, for example, a structured deposit is linked to an index at a future date, such that the rate or calculation of the return is not known until that future date, deposit takers should include the principal in the SCV file and apply to the FSA for a waiver allowing them to exclude the return element. See also (the other question on structured deposits, which will give links to the waiver process etc).

## **6. SCV Verification - Transmission and security**

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No updates to Chapter 6 – However, deposit takers should be aware that Experian are currently in the process of contacting firms to establish their transmissions set up.

## 7. FSA Reporting Requirements

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No updates to Chapter 7 – However, deposit takers should note that Implementation and SCV Reporting Templates are now available on the FSCS website at the following link

<http://www.fscs.org.uk/industry/single-customer-view-for-faster-payout/single-customer-view-news/>

## **8. SCV exclusions**

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No updates to Chapter 8

## 9. Pilot Update

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- 9.1 During October and November 2010, FSCS undertook a Verification Pilot with 17 volunteer deposit takers (including banks, building societies and credit unions). This Chapter provides the broader deposit taking community with some feedback and lessons that we have learnt as a result

### Initials in names

- 9.2 Please note that COMP requires full names and not initials within the SCV file.

### Address formats

- 9.3 Please note:
- the two different address formats (PAF and Multi Line) cannot be combined or used together in the same SCV file; and
  - address line information should be populated starting at the first field (i.e. House Number, or ADDRESS LINE 1), and then completing each subsequent field thereafter.

### Foreign addresses

- 9.4 Where a customer has an overseas address, please populate the country field with the relevant country. Where an overseas address has an equivalent of a post code, FSCS would prefer that this be populated in the post code field.

### Post codes

- 9.5 Please note that for PAF address formats, customer post codes must be in field 6 of Table B (see page 10, of FSCS Q&A).

Please note, that for Multi line address field formats, customer post codes must be in field 8 of Table B (see page 10, of FSCS Q&A).

### Keys and codes

- 9.6 Deposit takers should note that the code listed in the 'Account status key or code (s)' column in the Implementation Report must be an **exact** match to the code that appears in the account status fields within the Account Status field in the SCV file. Please note, where deposit takers are specifying a combined code (e.g. FRAUD / LAUND / GONEA), each combination must be specified. For the avoidance of doubt:

- FRAUD / LAUND / GONEA, is not the same as,
- GONEA / FRAUD / LAUND.

**Both** codes would need to appear in the keys and codes table if **both** codes appeared in the SCV file.

### **Treatment of joint accounts within Table C**

- 9.7 For joint accounts, the account balance (i.e. the table C figure) should represent the relevant proportion of an account balance. For example, if Customer A and Customer B have a joint account with a balance of £10,000, the 'account balance' field would be £5,000 in each SCV record, and the account holder indicator would be '02'.

### **Treatment of zero balanced accounts**

- 9.8 For the avoidance of doubt, where an eligible customer has a zero balance on one of their accounts within the SCV record, this should be included in the SCV record. Should a customer's zero balance be their only account, this should also be included in the SCV record.

### **Negative balances**

- 9.9 Deposit takers should not that negative balances (such as loans and overdrafts) should be excluded from the SCV file

### **Account numbers**

- 9.10 Please note that COMP requires 'a unique number for this account' to be provided in each SCV ID. i.e. each SCV ID should not contain duplicate account numbers.

### **SCV ID**

- 9.11 Where more than one file is provided, it is essential that each SCV ID appears in every file.