

14 July

FSA statement on In-flight Transactions

Within the 72 hour period, and prior to generating and sending the SCV file to FSCS, we would expect firms to take a rigorous and comprehensive approach to the identification and application of in-flight transactions (initiated prior to default) to those accounts within the SCV file.

For the avoidance of doubt, we would expect firms to apply all transactions that are known by the firm AND that were irrevocable prior to the point of default.

The FSA recognises that SCV file production methods will differ from firm to firm. As such, where certain payment types are not likely to be applied to the balances, a summary of these omissions should be included in the 'Issues' section of the Pre Implementation Report and / or the 'Any other relevant factors' sections of the Implementation Report.

The FSA recognises that deposit takers may encounter challenges in applying in-flight transactions in relation to their representative sample file, during the verification phase. FSA expect firms to take a rigorous and comprehensive approach to the identification and application of in-flight transactions during verification. Firms should summarise any omissions or issues encountered in the 'Any other relevant factors' section of the Implementation Report.