


**FSCS DETERMINATION INSTRUMENT 2014** Lower Iveagh Credit Union Limited

1. Using its powers in the Financial Services and Markets Act 2000 ("FSMA"), the Financial Services Authority ("FSA") made compensation rules in Chapter 7 of the Compensation Sourcebook of the FSA Handbook ("COMP") providing the Financial Services Compensation Scheme Limited ("FSCS") with specific rights and obligations against firms in default and third parties.
2. On 1 April 2013, the Prudential Regulation Authority ("PRA") became responsible for the prudential regulation and supervision of banks, building societies, credit unions, insurers and major investment firms. From that date, the compensation rules relevant to credit unions can be found in the Compensation Sourcebook of the PRA Handbook.
3. On **18/11/2014**, the Court made a liquidation order against Lower Iveagh Credit Union Limited ("the credit union") and, as a result, FSCS declared the credit union to be in default on **19/11/2014** (the "FSCS Default") for the purposes of COMP 6.3.2R of the COMP Sourcebook.
4. FSCS has determined to use the powers in COMP Chapter 7.3R set out below in respect of the credit union and all eligible claimants who have protected deposit claims as a result of holding deposits with the credit union at **19/11/2014** ("claimants").
5. Using the powers specified below, FSCS has determined that:
  - i. The payment of compensation by it shall have the effects specified in COMP 7.3.8R(3), (4) and (5);
  - ii. In accordance with COMP 7.3.9R, it will make the payment of compensation by it conditional upon claimants assigning or transferring the whole or any part of all the rights he may have against the credit union and/or any third party on such terms as FSCS determines are appropriate; and
  - iii. In accordance with COMP 7.3.10R, in the event that any of the scenarios listed in COMP 7.3.10R(1)(a)-(c) arise, claimants shall be treated as having irrevocably and unconditionally appointed the chairman of the FSCS for the time being to be their attorney and agent and on their behalf and in their name or otherwise to do such things and execute such deeds and documents as may be required under such laws of the United Kingdom, another EEA State or other state or law-country to create or give effect to such assignment or transfer or otherwise give full effect of those powers.
6. The payment of compensation by FSCS is in full and final discharge and settlement of the obligations of FSCS.
7. FSCS reserves the right to amend, remake, or revoke these determinations at any time as permitted by COMP 7.3.4R(5).
8. This instrument is made under COMP 7.3R and takes effect immediately on the date and at the time on which it is made.

9. Unless defined in this determination, all expressions used which are also defined terms in the PRA Handbook Glossary shall have the same meaning as given to them in that glossary.

The Executive is authorised by the Board to decide whether, and to what extent, FSCS should use the powers under COMP 7.3R (previously under COMP 15) in respect of credit union defaults arising on or after 1 January 2011.

This Determination under COMP 7.3R agreed on behalf of the Executive by:

 ..... 19 November 2014. 13.00

**Signature, Date & Time**


**FSCS DECISION ON COMP POWERS IN RELATION TO Lower Iveagh Credit Union Limited**

1. Using its powers in the Financial Services and Markets Act 2000 ("FSMA"), the Financial Services Authority ("FSA") made compensation rules in Chapter 7 of the Compensation Sourcebook of the FSA Handbook ("COMP") providing the Financial Services Compensation Scheme Limited ("FSCS") with specific rights and obligations against firms in default and third parties.

On 1 April 2013, the Prudential Regulation Authority ("PRA") became responsible for the prudential regulation and supervision of banks, building societies, credit unions, insurers and major investment firms. From that date, the compensation rules relevant to credit unions can be found in the Compensation Sourcebook of the PRA Handbook.

2. On **18/11/2014**, the Court made a liquidation order against Lower Iveagh Credit Union Limited ("the credit union") and, as a result, FSCS declared the credit union to be in default on **19/11/2014** (the "FSCS Default") for the purposes of COMP 6.3.2R.
3. FSCS has obtained a single customer view from the credit union, containing the details (including account balances) of all eligible claimants ("claimants") with protected claims in respect of deposits held with the bank and expects to obtain a final version of deposits held at the date of default within 72 hours of the default.
4. FSCS is satisfied that its usual methods of compensation payment (including, without limitation, by way of the "cash over the counter" service at the Post Office and by cheque) are suitable for the default of the credit union.
5. In addition to the powers available under COMP 7.3R (which FSCS has used to make the determinations set out in FSCS Determination 2014/No6), as at the date of this decision, FSCS has also decided to use the following powers in COMP in respect of the credit union and claimants:
  - A. to treat eligible claimants as having made claims for compensation (COMP 3.2.1AR); and
  - B. to pay compensation in any form and by any method (or any combination of them) that it determines is appropriate (COMP 11.2.3AR).
6. Unless defined in this decision, all expressions used which are also defined terms in the PRA Handbook Glossary shall have the same meaning as given to them in that glossary.

This decision to use COMP 3.2.1AR and 11.2.3AR is agreed on behalf of the Executive by:

 ..... 19 November 2014 13.00

**Signature, Date & Time.**