

## Financial Services Compensation Scheme

Banks and building societies are required to ensure that depositors / savers are made explicitly aware of the extent of application of the FSCS scheme. The information herein is correct as per this publication date. Please visit the FSCS website for up to date information. <https://www.fscs.org.uk/what-we-cover/banks-building-societies>.

If you have multiple accounts with banks or building societies that are part of a larger group, the amount of compensation you can claim depends on how the Prudential Regulation Authority (PRA) authorises the firm:

- If the banks/building societies are separately authorised: £85,000 per person per firm.
- If the banks/building societies are covered by the parent company's authorisation: one payment of £85,000, which covers all the accounts you hold with the different firms.

Banks with a single authorisation from the Prudential Regulation Authority.

For claims against firms that failed on or after **30 Jan 2017**.

- **£85,000** per person, per authorised bank or building society. £170,000 for joint accounts.
- **£1 million** for certain life events up to six months from when the amount was first deposited. Unlimited for personal injury claims.

The basic sensible approach is for investors to avoid holding more than £85,000 (£170,000 for a joint account) in a single bank, then this may be unwise and you should consider placing the excess funds with one or more other banks.

It is important to understand which banks come under a single institutional registration, as brand names and ownership structures can confuse the picture markedly.

If in doubt about your deposits **ask the bank** which financial institutions it shares a license with. They are obliged to tell you. If necessary, move some money to a different institution. Banks can and do fail and it is far easier to rearrange your financial affairs now than when a collapse appears imminent (think back to Northern Rock).

You can also find out exactly which banks come under a single regulatory license by visiting the FCA Website. It also provides you with details of the registration status, head office address, regulatory permissions and so on.

Banks are now required to put full details of their FSCS cover on their web sites, as well as putting posters and stickers in their branches.

Extra care is needed with branches of foreign banks. They may be operating under a banking license in a foreign regulatory jurisdiction rather than a UK one. Regulation of such "branch" banks still takes place, but is more limited than for UK registered institutions. These branch banks are not necessarily covered by the FSCS scheme (in fact they are probably not) but may be covered by their own arrangements guaranteed by a foreign jurisdiction.

## Investments

You may be eligible to claim compensation if the investment firm you did business with has failed and was authorised by the Prudential Regulation Authority or the Financial Conduct Authority.

For an investment claim to be eligible for compensation, it must meet all of the following criteria:

- The firm (or its principals) no longer has sufficient funds to meet the compensation claim itself.
- The advice you received to buy the investment must have been given on or after 28 August 1988.
- The firm that advised you must have been authorised by the appropriate regulator to do so at that time.
- You must have lost money as a result of the advice you were given.

You would need to claim against the company that advised you to take out the investment, not the company your investment is held with.

Investment compensation limits from 1 January 2010

£50,000 per person per firm

As a Financial Institution, Reyker Securities plc also participates in the FSCS scheme. This is because we hold and control client money and client assets. We place client money with a range of UK registered banks with UK banking licenses and sensible credit ratings: we do not use foreign branch banks at all.

If you have any questions about the application of the FSCS scheme to your investments at Reyker, please contact our client services team via phone (020 7397 2586) or email ([clientservices@reyker.com](mailto:clientservices@reyker.com)). We would be happy to answer your questions.

Last reviewed on 14 November 2018

For Our Reference:  
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