

PRA RULEBOOK: CRR FIRMS: NON CRR FIRMS: NON AUTHORISED PERSONS: DEPOSITOR PROTECTION INSTRUMENT 2015

Powers exercised

- A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 137G (The PRA’s general rules);
 - (2) section 137T (General supplementary powers);
 - (3) section 213 (The compensation scheme);
 - (4) section 214 (General);
 - (5) section 215 (Rights of the scheme in insolvency); and
 - (6) section 218A (Regulators power to require information).
- B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instrument) of the Act.

Pre-conditions to making

- C. In accordance with section 138J of the Act (Consultation by the PRA), the PRA consulted the Financial Conduct Authority. After consulting, the PRA published a draft of proposed rules and had regard to representations made.

PRA Rulebook: CRR Firms: Non CRR Firms: Non Authorised Persons: Depositor Protection Instrument 2015

- D. The PRA makes the rules in the Annex to this instrument.

Commencement

- E. With the exception of the rules in Chapters 12 to 15, the rules in the Annex come into force on 3 July 2015.
- F. The rules in Chapters 12 to 15 in the Annex come into force on 1 December 2016.
- G. With effect from 1 December 2016, the PRA deletes rules 9.6(2) and the rules in Chapters 49 to 52 in the Annex.
- H. With effect from 1 January 2024, the PRA deletes rule 9.6(1) and 9.6(3) in the Annex.

Citation

- I. This instrument may be cited as the PRA Rulebook: CRR Firms: Non CRR Firms: Non Authorised Persons: Depositor Protection Instrument 2015.

By order of the Board of the Prudential Regulation Authority

30 March 2015

Annex

In this Annex, the text is all new and is not underlined.

Part

DEPOSITOR PROTECTION

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1 APPLICATION AND DEFINITIONS

1.1 Unless otherwise stated, this Part applies to:

- (1) the *FSCS*;
- (2) *UK banks*;
- (3) *credit unions*;
- (4) *Northern Ireland credit unions*;
- (5) *building societies*; and
- (6) an *overseas firm* that:
 - (a) is not an *incoming firm*; and
 - (b) has a *Part 4A permission* that includes *accepting deposits*.

1.2 Chapter 23 applies to a *UK branch* of an *incoming firm* that is a *credit institution*.

1.3 This Part also applies to a *firm* which used to have a *Part 4A permission to accept deposits* but which has ceased to have a *Part 4A permission to accept new deposits*, or which is subject to a requirement not to accept new *deposits*, and which is not a member of a *non-UK scheme*.

1.4 Unless otherwise stated, in this Part, the following definitions shall apply:

available financial means

means cash, *deposits* and *low-risk assets* which can be liquidated within a period not exceeding seven *business days*.

[Note: Art. 2(1)(12) of the *DGSD*]

base costs

means *management expenses* which are not attributable to any particular *class*.

base costs levy

means a levy, forming part of the *management expenses levy*, to meet the *base costs* in the financial year of the *compensation scheme* to which the levy relates.

class

means one of the classes to which the *FSCS* allocates levies in accordance with the rules of the *compensation scheme*.

class A

means the *class* which consists of *DGS members*.

class A tariff base

has the meaning given in 43.1.

class J

has the meaning given in the Dormant Account Scheme Part.

claim

means a valid claim made in respect of a civil liability owed by a *DGS member* to the claimant.

compensation date

means the date on which a determination is made by the *PRA*, the *FSCS* or a judicial authority that *deposits* held by a *DGS member* are *unavailable deposits* such that the *DGS member* is *in default*.

compensation recipient

means the *person* to whom the *FSCS* is required to pay compensation, as set out in Chapter 6.

compensation scheme

means the Financial Services Compensation Scheme established under section 213 of *FSMA*.

continuity of access systems

means a firm's systems for satisfying 13.4 to 13.9.

covered deposit

means the part of an *eligible deposit* that does not exceed the coverage levels set out in Chapter 4.

[Note: Art. 2(1)(5) of the *DGSD*]

DAS compensation costs

has the meaning given in the Dormant Account Scheme Part.

DAS specific costs

has the meaning given in the Dormant Account Scheme Part.

deferred share

means:

- (1) in relation to a *credit union*, any share of a class defined as a deferred share by section 31A of the Credit Unions Act 1979;
- (2) in relation to a *building society*, any share of a class defined as deferred shares for the purposes of section 119 of the Building Societies Act 1986.

deposit

means:

- (1) a credit balance which results from funds left in an account or from temporary situations deriving from normal banking transactions and which a *credit institution* is required to repay under the legal and contractual conditions applicable, including a fixed-term deposit and a savings deposit, but excluding a credit balance where:
 - (a) its existence can only be proven by a financial instrument as defined in *MiFID II*, unless it is a savings product which is evidenced by a certificate of deposit made out to a named person and which exists in a Member State on 2 July 2014;
 - (b) its principal is not repayable at par; or
 - (c) its principal is only repayable at par under a particular guarantee or agreement provided by the *credit institution* or a third party;
- (2) a share in a *building society*, excluding a *deferred share*;
- (3) a share in a *credit union*, excluding a *deferred share*; or
- (4) a share in a *Northern Ireland credit union*, excluding a *deferred share*.

[Note: Art. 2(1)(3) of the DGSD]

deposit guarantee scheme

means the *compensation scheme* for compensating persons in respect of *deposits*.

deposit guarantee scheme regulations

means the Deposit Guarantee Scheme Regulations 2015 (SI 2015/486).

depositor

means the holder or, in the case of a *joint account*, each of the holders, of a *deposit*.

[Note: Art. 2(1)(6) of the DGSD]

DGS base costs levy

means a *base costs levy* imposed by the *FSCS* on *DGS members*.

DGS compensation costs

means the costs incurred:

- (1) in paying compensation under the *deposit guarantee scheme*;
- (2) under section 214B or section 214D of *FSMA*; or
- (3) by virtue of section 61 of the Banking Act 2009;

(including the costs of paying interest, principal and other costs of borrowing to pay such costs).

DGS compensation costs levy

means a levy imposed by the *FSCS* on *DGS members* to meet *DGS compensation costs*.

DGS levy

means a *DGS compensation costs levy*, a *DGS management expenses levy* or a *legacy costs levy*.

DGS management expenses levy

means a levy imposed by the *FSCS* on *DGS members* to meet *management expenses* and which is made up of one or more of a *DGS base costs levy* and a *DGS specific costs levy*.

DGS member

means:

- (1) a *UK bank*;
- (2) a *building society*;
- (3) a *credit union*;
- (4) a *Northern Ireland credit union*; or
- (5) an *overseas firm* that is not an *incoming firm* and has a *Part 4A permission* that includes *accepting deposits*.

DGS specific costs

means *management expenses* attributable to the *deposit guarantee scheme* other than *base costs*, which the *FSCS* has incurred or expects to incur.

DGS specific costs levy

means a levy, forming part of the *DGS management expenses levy*, to meet the *DGS specific costs* in the financial year of the *deposit guarantee scheme* to which the levy relates.

DGSD

means Directive 2014/49/EU of the European Parliament and of the Council of 16 April 2014 on deposit guarantee schemes (recast).

dormant account

has the meaning given in section 10 of the Dormant Bank and Building Society Accounts Act 2008.

EEA right

means the entitlement of a *person* to establish a *branch* or provide services in an *EEA State* other than that in which they have their relevant office in accordance with the *Treaty* as applied in the *European Economic Area*; and subject to the conditions of the *CRR* and *CRD*.

eligible deposit

has the meaning given in Chapter 2.

exclusions view

means a single, consistent view of a *depositor's* aggregate *eligible deposits* with a *firm* which contains the information required by 12.9, limited to accounts which:

- (1) hold any funds to which the *depositor* is not absolutely entitled; or
- (2) are *not active*.

exclusions list

has the meaning given in 16.2.

European Economic Area

means the area established by the *EEA agreement*.

home state scheme

means a scheme or arrangement (including the *deposit guarantee scheme*) for the payment of compensation in respect of *eligible deposits*, which was established in the *EEA State* which is, with regard to a particular *institution*, the *home Member State*.

host state scheme

means a scheme or arrangement (including the *deposit guarantee scheme*) for the payment of compensation in respect of *eligible deposits*, which was established in the *EEA State* which is, with regard to a particular *institution*, the *host Member State*.

in default

describes the status of a *firm* following a determination that its *deposits* are *unavailable deposits*.

information sheet

has the meaning given in 16.2.

joint account

means an account opened in the name of two or more *persons* or over which two or more *persons* have rights that are exercised by means of the signature of one or more of those *persons*.

[Note: Art. 2(1)(7) of the DGSD]

legacy costs

means the costs incurred prior to 3 July 2015 by the *FSCS*:

- (1) in paying compensation; or
- (2) under section 214B or section 214D of *FSMA*; or
- (3) by virtue of section 61 of the Banking Act 2009;

(including the costs of paying interest, principal and other costs of borrowing to pay such costs).

legacy costs levy

means a levy imposed by the *FSCS* to meet *legacy costs*.

low-risk assets

means items falling into the first or second category of Table 1 of Article 336 of the *CRR*.

[Note: Art. 2(1)(14) of the *DGSD*]

management expenses

has the meaning given in section 223(3) of *FSMA*.

mandatory contributions

means the mandatory contributions described in Article 10(4) of the *DGSD*.

micro, small and medium-sized enterprises

means micro, small and medium-sized enterprises as defined with regard to the annual turnover criterion referred to in Article 2(1) of the Annex to Commission Recommendation 2003/361/EC .

money laundering

has the meaning given in Article 1(2) of the *money laundering directive*.

money laundering directive

means Directive 2005/60/EC of the European Parliament and of the Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing.

money-purchase benefits

means in relation to a member of a *personal pension scheme* or an *occupational pension scheme* or the widow or widower or surviving civil partner of a member of such a scheme, benefits the rate or amount of which is calculated solely by reference to the schemes assets which (because of the nature of the calculation) must necessarily suffice to provide the benefits which fall within section 181 of the Pensions Scheme Act 1993 and section 99 of the Pensions Act 2008, each as amended by section 29 of the Pensions Act 2011.

non-UK scheme

means a scheme established pursuant to the *DGSD* in an *EEA State* other than the *UK*.

Northern Ireland credit union

means a *firm* which is either a society registered under the Credit Unions (Northern Ireland) Order 1985 or a society registered under the Industrial and Provident Societies Act (Northern Ireland) 1969 as a credit union.

not active

an account is not active if it:

- (1) is a *dormant account*; or
- (2) is an account for which the *firm* has received formal notice of a legal dispute or competing claims to the proceeds of the account; or
- (3) is an account owned or controlled by a person whose name appears on the “Consolidated list of financial sanctions targets in the United Kingdom” that is maintained by HM Treasury or which is otherwise subject to restrictive measures imposed by national governments or international bodies.

occupational pension scheme

has the meaning given in article 3(1) of the *Regulated Activities Order*.

personal pension scheme

has the meaning given in article 3(1) of the *Regulated Activities Order*.

private residential property

means freehold, heritable or leasehold property (or the equivalent in another country), including land, which was, is, or is intended to become the *depositor's* only or main residence.

single customer view

means a single, consistent view of a *depositor's* aggregate *eligible deposits* with a *firm* which contains the information required by 12.9, but excludes from view those accounts included in the *exclusions view*.

SCV effectiveness report

means a report from a *firm's* board of directors confirming that the *firm's SCV system* satisfies the *SCV requirements*.

SCV requirements

means the requirements on *firms* set out in Chapter 12.

SCV system

means a *firm's* system for satisfying the *SCV requirements*.

small self-administered scheme

means an *occupational pension scheme* of a kind described in article 4(4) and 4(5) of the Financial Services and Markets Act 2000 (Carrying on Regulated Activities by Way of Business) Order 2001 (SI 2001/1177).

stakeholder pension scheme

has the meaning given in article 3(1) of the *Regulated Activities Order*.

statement of business

means the information required under 44.2.

target level

means the amount of *available financial means* which the *deposit guarantee scheme* is required to reach, which is 0.8% of the amount of *covered deposits* (excluding *temporary high balances*) of *DGS members*.

temporary high balance

means, in relation to a *depositor* who is an individual, that part of an *eligible deposit* in excess of the coverage level set out in 4.2 which meets the additional criteria set out in 10.2.

[Note: Art. 6(2) of the DGSD]

transferable eligible deposit

means the portion of an *eligible deposit* up to and including the coverage level provided for in 4.2, identified in accordance with Chapter 13 and 12.9.

unavailable deposit

means a *deposit* that is due and payable but has not been paid by a *DGS member* under the applicable legal or contractual conditions where either:

- (1) (in accordance with the *deposit guarantee scheme regulations*) the *PRA*, or the *FSCS* in the case of a *credit union* or a *Northern Ireland credit union*, has determined that in its view the *DGS member* appears to be unable for the time being, for reasons which are directly related to its financial circumstances, to repay the *deposit* and has no current prospect of being able to do so; or
- (2) a judicial authority has made a ruling for reasons which are directly related to the *DGS member's* financial circumstances and the ruling has had the effect of suspending the rights of *depositors* to make claims against it.

[Note: Art. 2(1)(8) of the DGSD]

- 1.5 Unless otherwise defined, any italicised expression used in this Part and in the *CRR* has the same meaning as in the *CRR*.

2 ELIGIBILITY

- 2.1 This Chapter applies only to the *FSCS*.
- 2.2 The provisions in this rule determine whether a *deposit* is an *eligible deposit*:
- (1) A *deposit* is an *eligible deposit* only if it is held by:
 - (a) a *UK establishment* of a *DGS member*, or
 - (b) a *branch* of a *DGS member* established in another *EEA state* under an *EEA Right*.
 - (2) A *deposit* is held by a *UK establishment* or a *branch* if it is assigned by the *firm* to an account of that *UK establishment* or that *branch*.

- (3) A *deposit* is, subject to the other rules in this Chapter, an *eligible deposit* if it is held by a *firm* which:
- (a) had a *Part 4A permission* to accept such *deposits* at the time the *deposit* was accepted but no longer has permission to accept *eligible deposits*, or is subject to a requirement preventing it from doing so; and
 - (b) is not now a member of a *non-UK scheme* which protects such *deposits*.
- (4) The following are not *eligible deposits*:
- (a) a *deposit* made by another *credit institution* on its own behalf or for its own account;
 - (b) *own funds*;
 - (c) a *deposit* arising out of a transaction in connection with which there has been a criminal conviction for *money laundering*;
 - (d) a *deposit* by a *financial institution*;
 - (e) a *deposit* by an *investment firm*;
 - (f) a *deposit* the holder and any beneficial owner (as defined in regulation 6 of the Money Laundering Regulations 2007) of which have not, at the *compensation date* had their identity verified in accordance with regulation 9 of the Money Laundering Regulations 2007 (or equivalent *EEA* requirements);
 - (g) a *deposit* by an *insurance undertaking* or a *reinsurance undertaking*;
 - (h) a *deposit* by a collective investment undertaking;
 - (i) a *deposit* by a pension or retirement fund (but excluding *deposits* by *personal pension schemes*, *stakeholder pension schemes* and *occupational pension schemes* of *micro, small and medium-sized enterprises*);
 - (j) a *deposit* by a public authority;
 - (k) a debt security issued by the *DGS member* and any liabilities arising out of own acceptances and promissory notes.

[Note: Art. 4(3), 4(6), 5(1), 5(2)(a) and 14(1) of the DGSD]

3 CIRCUMSTANCES IN WHICH FSCS PAYS COMPENSATION IN RESPECT OF ELIGIBLE DEPOSITS

- 3.1 This Chapter applies only to the *FSCS*.
- 3.2 The *FSCS* must pay compensation in accordance with this Part in respect of an *eligible deposit* if it is satisfied that the *eligible deposit* is a *deposit* with either:
- (1) a *DGS member* which is *in default*; or
 - (2) a *firm* which is *in default* and which:

- (a) had a *Part 4A permission* to accept such *deposits* at the time the *deposit* was accepted but no longer has permission to accept *eligible deposits*, or is subject to a requirement preventing it from doing so; and
- (b) is not a member of a *non-UK scheme* which covers such *deposits*.

4 LIMITS ON COMPENSATION PAYABLE

- 4.1 This Chapter applies only to the *FSCS*.
- 4.2 The maximum compensation sum payable for the aggregate *eligible deposits* of each *depositor* is £85,000, save that additional compensation may be payable in cases to which 4.3 applies.

[Note: Art. 6(1) of the *DGSD*]

- 4.3 The maximum compensation sum payable for a *temporary high balance* is £1,000,000, save that no limit shall apply to the compensation payable for a *temporary high balance* arising from a payment in connection with personal injury or incapacity.

[Note: Art. 6(2) of the *DGSD*]

5 CALCULATING COMPENSATION

- 5.1 This Chapter applies only to the *FSCS*.
- 5.2 Compensation shall be calculated by reference to *eligible deposits* held on the *compensation date*.

[Note: Art. 7(4) of the *DGSD*]

- 5.3 The limit provided for in 4.2 applies to the aggregate *eligible deposits* placed by a *depositor* with the same *credit institution*, irrespective of the number of accounts, the currency, or the location within the *EEA*.

[Note: Art. 7(1) of the *DGSD*]

- 5.4 The share of each *depositor* of a *joint account* shall be considered separately in calculating the limits provided for in 4.2 and 4.3, except where 5.5 applies. In the absence of contrary provision, the *joint account* shall be divided equally among the *depositors* to the nearest penny.

[Note: Art. 7(2) of the *DGSD*]

- 5.5 *Deposits* in an account to which two or more *persons* are entitled as members of a business partnership, association or grouping of a similar nature, without legal personality, must be aggregated and treated as if made by a single *depositor* for the purpose of calculating the limits provided for in 4.2 and 4.3.

[Note: Art. 7(2) of the *DGSD*]

- 5.6 Where several *persons* are absolutely entitled to a beneficial interest in a *deposit*, the share of each, under the arrangements subject to which the *deposit* is managed, shall be considered separately in calculating the amount payable to each of them.

[Note: Art. 7(3) of the *DGSD*]

- 5.7 Where several *persons* are absolutely entitled to a beneficial interest in a *deposit*, and some of them are *persons* whose own *deposits* would not be *eligible deposits*, the *FSCS* must adjust the amount of the overall *deposit* to eliminate the part of it which, in the *FSCS*'s view, relates to those beneficiaries' interest in the overall *deposit*.
- 5.8 Liabilities of the *depositor* against the *DGS member* shall not be taken into account when calculating the compensation sum.

[Note: Art. 7(4) of the DGSD]

- 5.9 Except where the compensation sum arises from a *temporary high balance*, the *FSCS* shall reimburse interest owed on *eligible deposits* which had accrued, but has not been credited, at the *compensation date*. The limit provided for in 4.2 shall not be exceeded by the payment of any such interest.

[Note: Art. 7(7) of the DGSD]

6 PAYING COMPENSATION

- 6.1 This Chapter applies to the *FSCS*.
- 6.2 The *FSCS* must pay any compensation to the *depositor*, with the following exceptions:
- (1) where the *FSCS* is required to make payments on behalf of a *non-UK scheme* in accordance with the *deposit guarantee scheme regulations*;
 - (2) where the *FSCS* must instruct a *non-UK scheme* to make payments on its behalf in accordance with 27.3;
 - (3) where the *FSCS* is required to make payments to a *person* other than the *depositor* in accordance with section 214B or section 214D of *FSMA* or section 61 of the Banking Act 2009;
 - (4) where the *depositor* directs that any compensation be paid to another *person*, the *FSCS* may pay the compensation as directed by the *depositor*;
 - (5) where the *depositor* is not absolutely entitled to the *eligible deposit*:
 - (a) if another *person* is absolutely entitled to the *eligible deposit*, that *person* is the *person* entitled to compensation in respect of the *deposit*, and accordingly the *FSCS* must pay any compensation to the *person* who is absolutely entitled to the *eligible deposit*, provided that the *person* has been identified or is identifiable before the *compensation date*; and
 - (b) if no *person* is absolutely entitled to the *eligible deposit*, the *FSCS* must pay any compensation in accordance with such of 6.3, 6.4, 6.5 and 6.6 as applies.

[Note: Art. 7(3) of the DGSD]

- 6.3 If a *person* is:
- (1) a trustee (other than a bare trustee); or
 - (2) the operator of, or the *person* carrying on the *regulated activity* of winding up, a *stakeholder pension scheme* (which is not an *occupational pension scheme*) or *personal pension scheme*,

the FSCS must treat that person's entitlement to compensation in this capacity as separate from the entitlement to compensation in any other capacity, as if the two entitlements were held by different *persons*.

6.4 If a *deposit* is held:

- (1) for the trustees of a *small self-administered scheme*, an *occupational pension scheme* of *micro, small and medium sized enterprise*, or the trustee or operator of, or the *person* carrying on the *regulated activity* of winding up, a *stakeholder pension scheme* (which is not an *occupational pension scheme*) or *personal pension scheme*;
- (2) for one or more members of a pension scheme (or, where relevant, the beneficiary of any member) whose benefits are *money-purchase benefits*,

the FSCS must treat the member or members (or, where relevant, the beneficiary of any member) separately as *persons* entitled to receive compensation.

6.5 If any group of *persons* are:

- (1) co-trustees (other than bare co-trustees); or
- (2) *operators* of, or *persons* carrying on the *regulated activity* of winding up, a *stakeholder pension scheme* (which is not an *occupational pension scheme*) or a *personal pension scheme*

(or any combination thereof), the FSCS must treat them as a single and continuing *person* distinct from the *persons* who may from time to time be the trustees, or the *operators* or *persons* winding up the relevant pension scheme.

6.6 Where the same person is:

- (1) trustee for different trusts or for different *stakeholder pension schemes* (which are not *occupational pension schemes*) or *personal pension schemes*; or
- (2) the *operator* of, or the *person* carrying on the *regulated activity* of winding up, different *stakeholder pension schemes* (which are not *occupational pension schemes*) or *personal pension schemes*,

the FSCS shall treat that *person's* entitlement to compensation in respect of each of these trusts or schemes as if they were entitlements of a different *person*.

6.7 Where any of the provisions of 6.3, 6.5 or 6.6 apply, the FSCS must try to ensure that any amount paid to:

- (1) the trustee; or
- (2) the *operator* of, or the *person* carrying on the *regulated activity* of winding up, a *stakeholder pension scheme* (which is not an *occupational pension scheme*) or *personal pension scheme*

is, in each case:

- (3) for the benefit of members or beneficiaries whose own *deposits* would be *eligible deposits*; and
- (4) no more than the amount of the loss suffered by those members or beneficiaries.

6.8 Where a *person* holds a *deposit* as the personal representative of another or on behalf of another, the *FSCS* must treat the personal representative or the person acting on behalf of another in respect of that *deposit* as if they were standing in the shoes of that other *person*.

6.9 In applying this Chapter to *deposits* held with a *branch* outside the *UK* of a *DGS member*, the *FSCS* must interpret references to:

(1) *persons* entitled as personal representatives, trustees, bare trustees, *operators* of *pension schemes* or *persons* carrying on the *regulated activity* of winding up *pension schemes*; or

(2) *persons* having a *joint account* or joint interest in a *deposit* or carrying on business in partnership,

as references to *persons* entitled, under the law of the relevant country or territory, in a capacity appearing to the *FSCS* to correspond as nearly as may be to that capacity.

7 FORM AND METHOD OF COMPENSATION

7.1 This Chapter applies only to the *FSCS*.

7.2 The *FSCS* may pay compensation in any form and by any method (or any combination of them) that it determines is appropriate including, without limitation:

(1) by paying the compensation (on such terms as the *FSCS* considers appropriate) to a *DGS member* or an *incoming firm* which agrees to become liable to the *compensation recipient* in a like sum;

(2) by paying compensation directly into an existing deposit account of (or for the benefit of) the *compensation recipient*, with a *DGS member* or an *incoming firm* (but before doing so the *FSCS* must take such steps as it considers appropriate to verify the existence of such an account and to give notice to the *depositor* of its intention to exercise this power);

(3) where two or more *persons* are absolutely entitled to a *deposit*, by accepting communications from and/or paying compensation to any one of those *persons* where this is in accordance with the terms and conditions for communications and withdrawals of the *eligible deposit*.

7.3 This Chapter is subject to:

- (1) Chapter 6;
- (2) section 214B and section 214D of *FSMA*; and
- (3) section 61 of the Banking Act 2009.

8 CURRENCY OF COMPENSATION

8.1 This Chapter applies only to the *FSCS*.

8.2 Subject to 8.3, the *FSCS* must make compensation payments in respect of *eligible deposits* in pounds sterling. Where the account in which the *eligible deposit* was held was maintained in a different currency, the *FSCS* must use the exchange rate applying on the *compensation date*.

- 8.3 Where the *FSCS* is instructing a *non-UK scheme* to make a payment under 27.3, the *FSCS* must instruct the relevant *non-UK scheme* to make such payments in the currency of that *host Member State*.

[Note: Art. 6(4) of the *DGSD*]

9 TIME LIMITS

- 9.1 This Chapter applies only to the *FSCS*.
- 9.2 The *FSCS* must pay compensation in respect of *eligible deposits* within the applicable time period and as soon as reasonably practicable after:
- (1) it is satisfied that the conditions in 3.2 have been met; and
 - (2) it has calculated the amount of compensation due to the *compensation recipient*.
- 9.3 The applicable time period referred to in 9.2 is the period starting on the day following the *compensation date* and ending:
- (1) until 31 December 2018: twenty *business days* later;
 - (2) from 1 January 2019 until 31 December 2020: fifteen *business days* later;
 - (3) from 1 January 2021 until 31 December 2023: ten *business days* later;
 - (4) from 1 January 2024: seven *business days* later;
- unless 6.2(5) applies, or the *FSCS* reasonably believes that it may, in which case it ends three months later.

[Note: Art. 8(1), (2) and (3) of the *DGSD*]

- 9.4 The *FSCS* may decide to defer the payment of compensation beyond the time period set out in 9.3 where:
- (1) it is uncertain whether a *person* is entitled to receive compensation;
 - (2) the *deposit* is subject to a legal dispute;
 - (3) the *deposit* is subject to restrictive measures imposed by national governments or international bodies;
 - (4) there has been no transaction on the account within the last 24 months;
 - (5) the amount to be repaid is deemed to be part of a *temporary high balance*, in which case 10.8 applies;
 - (6) the amount to be repaid is to be paid out by the *host state scheme*; or
 - (7) the *depositor* or the *compensation recipient* has been charged with an offence arising out of or in relation to *money laundering*.

[Note: Art. 8(5) and (8) of the *DGSD*]

- 9.5 The *FSCS* may decide not to pay compensation where there has been no transaction on the account in which the *deposit* is held within the 24 months prior to the *compensation*

date and the amount of the *deposit* is lower than the administrative costs that would be incurred by the *FSCS* in paying compensation.

[Note: Art. 8(9) of the DGSD]

9.6 (1) From 1 June 2016 until 31 December 2023, in cases to which 9.3 applies, where the *FSCS* cannot pay compensation within seven *business days* starting on the day following the *compensation date*, the *FSCS* shall, provided the *FSCS* receives sufficient information to enable it to make a payment, ensure that within five *business days* of receipt of a request from a *depositor*:

(a) the *depositor* who is an individual, has access to an appropriate amount of their *covered deposits* to cover the cost of living; and

(b) the *depositor* which is not a *large company* has access to an appropriate amount of their *covered deposits* to cover necessary business expenses.

[Note: Art 8(4) of the DGSD]

(2) From 3 July 2015 until 1 December 2016, in cases to which 9.3 applies, the *FSCS* shall ensure that a depositor which is a *large company* has access to their *covered deposits* within fifteen *business days* of receipt of a request from the *depositor* which contains sufficient information to enable the *FSCS* to make a payment.

(3) In 9.6 the following definition shall apply:

large company

means a *body corporate* which does not qualify as a small company under section 382 of the Companies Act 2006.

10 TEMPORARY HIGH BALANCES

10.1 This Chapter applies only to the *FSCS*.

10.2 In order to qualify as a *temporary high balance*, a part of an *eligible deposit* in excess of the coverage limit provided for in 4.2 must meet at least one of the following additional criteria:

(1) it comprises:

- (a) monies deposited in preparation for the purchase of a *private residential property* (or an interest in a *private residential property*) by the *depositor*;
- (b) monies which represent the proceeds of sale of a *private residential property* (or an interest in a *private residential property*) of the *depositor*; or
- (c) monies which represent the proceeds of an equity release by the *depositor* in a *private residential property*;

(2) it comprises sums paid to the *depositor* in respect of:

- (a) benefits payable under an insurance policy;
- (b) a claim for compensation for personal (including criminal) injury;
- (c) State benefits paid in respect of a disability or incapacity;

- (d) a claim for compensation for wrongful conviction;
 - (e) a claim for compensation for unfair dismissal;
 - (f) their redundancy (whether voluntary or compulsory);
 - (g) their marriage or civil partnership;
 - (h) their divorce or dissolution of their civil partnership; or
 - (i) benefits payable on retirement;
- (3) it comprises sums paid to the *depositor* in respect of:
- (a) benefits payable on death;
 - (b) a claim for compensation in respect of a person's death; or
 - (c) a legacy or other distribution from the estate of a deceased person;
- (4) it is held in an account on behalf of the personal representatives of a deceased person for the purpose of realising and administering the deceased's estate; or
- (5) it otherwise serves a social purpose provided for, or of the type provided for, in the law of a part of the *United Kingdom*, which is linked to the marriage, civil partnership, divorce, dissolution of civil partnership, retirement, incapacity, death of an individual, or to the buying or selling of a *depositor's* only or main residence that is not freehold, heritable or leasehold property.
- 10.3 Following the *compensation date*, the *FSCS* must review the *single customer view* of each *depositor* with the *DGS member* and provide written notice to an individual with aggregate *eligible deposits* in excess of the coverage levels set out in 4.2 of the following:
- (1) that the *depositor* may be entitled to additional compensation if all or part of the *eligible deposit* in excess of the coverage levels provided for in 4.2 qualifies as a *temporary high balance*;
 - (2) that in order to claim such additional compensation, the *depositor* must provide the *FSCS* with a written application and evidence supporting the *depositor's claim* that all or part of the *eligible deposit* in excess of the coverage levels provided for in 4.2 qualifies as a *temporary high balance*;
 - (3) that the *depositor* may make more than one *claim* for a *temporary high balance* if there are multiple events giving rise to a *temporary high balance*; and
 - (4) the date by which such written application and supporting evidence should be submitted to the *FSCS*.
- 10.4 The *FSCS* must pay compensation to a *depositor* in respect of a *temporary high balance* in accordance with 4.3 if it is satisfied that there is a sufficient link between an event giving rise to a *temporary high balance* and the part of the *eligible deposit* in excess of the coverage levels provided for in 4.2, taking into account the following considerations:
- (1) the written application and evidence provided by the *depositor* under 10.3; and
 - (2) any other information that the *FSCS* considers relevant.

- 10.5 The *FSCS* must pay compensation to a *depositor* in accordance with 4.3 in respect of each *temporary high balance* that the *depositor* has with any one *DGS member*.
- 10.6 The *FSCS* may pay compensation in respect of a *temporary high balance* to a *person* who makes a *claim* on behalf of another *person* if the *FSCS* is satisfied that the *person* on whose behalf the *claim* is made would have been paid compensation by the *FSCS* in respect of that *temporary high balance* had the person been able to make the *claim* themselves, or to pursue their application for compensation further.
- 10.7 The protection for *temporary high balances* under 4.3 shall run for a period of six months from the later of:
- (1) the first date on which a *temporary high balance* is credited to a depositor's account, or to a client account on a person's behalf; and
 - (2) the first date on which the *temporary high balance* becomes legally transferable to the depositor.

[Note: Art. 6(2) of the *DGSD*]

- 10.8 The *FSCS* must, within three months of the *compensation date*, pay to the *depositor* a sum representing the amount due to the *depositor* in respect of the *temporary high balance* unless one or more of 10.9 to 10.11 applies.

[Note: Art. 8(5)(d) of the *DGSD*]

- 10.9 The *FSCS* may defer payment in respect of a *temporary high balance* for a period in excess of the period specified in 10.8 where:
- (1) the *depositor* provides the written application and evidence referred to in 10.3 to the *FSCS* more than two *months* following the date of the written notice from the *FSCS* under 10.3;
 - (2) the *FSCS* has informed the *depositor* that the *FSCS* is contacting a third party to ask for additional information necessary to determine the *claim*; or
 - (3) one or more of the circumstances set out in 9.4 (1)-(7) arise.
- 10.10 If the *FSCS* considers that the written application and evidence provided by a *depositor* under 10.3 does not demonstrate a sufficient link between an event giving rise to a *temporary high balance* and the *eligible deposit* being in excess of the coverage levels provided for in 4.2, the *FSCS* must write promptly to that *depositor* to:
- (1) request any additional information that the *FSCS* considers necessary to determine the *claim* (within such time as the *FSCS* may specify); or
 - (2) confirm that the *FSCS* has determined that the deposit is not a *temporary high balance* and that it rejects the *claim*.
- 10.11 If the written application or evidence provided by the *depositor* under 10.3 contains any material inaccuracy or omission, the *FSCS* may reject the *claim* for compensation unless this is considered by the *FSCS* to be wholly unintentional.
- 10.12 Where all or part of a *temporary high balance* is transferred to another *DGS member* after the start of the coverage period referred to in 10.7, the *FSCS* must pay compensation if it considers that the transferred *deposit* is sufficiently linked to the *temporary high balance*.

The coverage period in 10.7 shall be calculated by reference to the point at which the *temporary high balance* was credited to the first account.

10.13 Where the FSCS rejects a *claim* made under this Chapter, it must give:

- (1) written reasons for its decision;
- (2) a summary of any right to request an internal FSCS review of the decision; and
- (3) a summary of any right to appeal the decision.

11 MARKING AND INFORMATION REQUIREMENTS

11.1 A *firm* must mark *eligible deposits* in a way that allows for the immediate identification of such *deposits*.

[Note: Art. 5(4) of the DGSD]

11.2 A *firm* must mark accounts (including client accounts and trust accounts) which are held on behalf of beneficiaries and which contain or may contain *eligible deposits* in a way that allows immediate identification of such accounts.

[Note: Art 5(4) and 7(3) of the DGSD]

11.3 A *firm* must be able to provide the FSCS with the aggregated amount of *eligible deposits* of every *depositor*.

11.4 Upon receipt of a request by the FSCS, a *firm* must provide the information in 11.3 to the FSCS.

[Note: Art 7(6) of the DGSD]

11.5 A *firm* must be able to provide the FSCS with all information necessary to enable the FSCS to prepare for the payment of compensation in accordance with this Part.

[Note: Art 4(8) and 8(6) of the DGSD]

11.6 Upon receipt of a request by the FSCS, a *firm* must provide the information in 11.5 so as to enable the FSCS to prepare for and pay compensation in accordance with this Part.

[Note: Art 4(8) and 8(6) of the DGSD]

11.7 A *firm* must take reasonable steps to ensure the accuracy of the data it holds to satisfy the requirements of this Chapter.

11.8 The information required by 11.1 and 11.2 must be electronically stored.

12 SINGLE CUSTOMER VIEW REQUIREMENTS

12.1 A *firm* must provide to the FSCS all *single customer views* and *exclusions views* within 24 hours of the relevant *deposits* becoming *unavailable deposits*.

12.2 A *firm* must provide all *single customer views* and *exclusions views* to the PRA or FSCS within 24 hours of a request by the PRA or FSCS.

12.3 If a *firm* does not have any accounts or balances which are required to be included within the *exclusions view*, the *firm* must provide confirmation of this to the FSCS.

[Note: Art. 4(8), 7(6) and 8(6) of the DGSD]

- 12.4 A *firm* must provide the information required by 12.1 and 12.2 by secure electronic transmission and in a format which is readily transferable to and compatible with the FSCS's systems.
- 12.5 A *firm* must provide the FSCS with *single customer views* and *exclusions views* within three *months* of receiving a *Part 4A permission to accept deposits*.
- 12.6 The FSCS must, within six *months* of receiving the information required by 12.2 or 12.5, advise the PRA whether the information provided by a *firm's SCV system* is capable of being submitted to the FSCS and whether it is compatible with the FSCS's systems to enable it to pay compensation within the time limits contained in 9.2.
- 12.7 A *firm* must ensure that its *SCV system*:
- (1) automatically identifies the amount of *covered deposits* payable to each *depositor*, and
 - (2) includes a facility which identifies any portion of an *eligible deposit* that is over the coverage level provided for in 4.2.
- 12.8 A *firm* must take reasonable steps to ensure the accuracy of the data it holds in order to satisfy the requirements of this Chapter.
- 12.9 A *firm* must ensure that each *single customer view* and *exclusions view* contains all the information set out in the table below.

	Field identifier	Field descriptor	Notes
	Customer details		
1.	<i>Single customer view</i> record number	Unique customer identifier.	Maximum number of characters in field: 200
2.	Title	Title [if applicable and where held by the <i>firm</i>].	Maximum number of characters in field: 20
3.	Customer first forename	First forename [if applicable].	Maximum number of characters in field: 50
4.	Customer second forename	Second forename [if applicable and where held by the <i>firm</i>].	Maximum number of characters in field: 50
5.	Customer third forename	Third forename [if applicable and where held by the <i>firm</i>].	Maximum number of characters in field: 50
6.	Customer Surname [or company name or name of account holder]	Surname [or company name or name of account holder].	Maximum number of characters in field: 100
7.	Previous Name	Any former name of the account holder [where held by the <i>firm</i>].	Maximum number of characters in field: 200
8.	National Insurance number	National Insurance number [if applicable and where held by the <i>firm</i>].	Maximum number of characters in field: 9
9.	Passport number	Passport number [if applicable and where held by the <i>firm</i>].	Maximum number of characters in field: 200
10.	Other national identifier	The type of national identifier being provided [if applicable and where held by the <i>firm</i>].	Maximum number of characters in field: 50

11.	Other national identity number	The national identity number [if applicable and where held by the <i>firm</i>].	Maximum number of characters in field: 50
12.	Company number	Company registration number or other business registration number [if applicable].	Maximum number of characters in field: 50
13.	Customer date of birth	Date of birth [if applicable and where held by the <i>firm</i>].	DDMMYYYY Maximum number of characters in field: 8
Contact details			
14.	<i>Single customer view</i> record number	Unique customer identifier.	Maximum number of characters in field: 200
15.	Address line 1	First line of address.	Maximum number of characters in field: 100
16.	Address line 2	Second line of address.	Maximum number of characters in field: 100
17.	Address line 3	Third line of address [if applicable].	Maximum number of characters in field: 100
18.	Address line 4	Fourth line of address [if applicable].	Maximum number of characters in field: 100
19.	Address line 5	Fifth line of address [if applicable].	Maximum number of characters in field: 100
20.	Address line 6	Sixth line of address [if applicable].	Maximum number of characters in field: 100
21.	Postcode	Postcode [except where not used by a country].	Maximum number of characters in field: 30
22.	Country	Country [for countries outside the <i>UK</i>].	Maximum number of characters in field: 30
23.	Email address	Email address [where held by the <i>firm</i>].	Maximum number of characters in field: 50
24.	Main phone number	Daytime phone or main phone number [where held by the <i>firm</i>].	Numeric Maximum number of characters in field: 40
25.	Evening phone number	Phone number 2 [where held by the <i>firm</i>].	Numeric Maximum number of characters in field: 40
26.	Mobile phone number	Phone number 3 [where held by the <i>firm</i>].	Numeric Maximum number of characters in field: 30
Details of account(s)			
27.	<i>Single customer view</i> record number	Unique customer identifier.	Maximum number of characters in field: 200
28.	Account title	Surname, first name, any other initials or middle name identifier or company name or name of account holder.	Maximum number of characters in field: 50
29.	Account number	Unique number for this account.	Maximum number of characters in field: 35
30.	BIC	Business Identifier Code for the customer [if applicable and where held by the <i>firm</i>].	ISO 9362 or alternative code if ISO 9362 is unavailable Maximum number of

			characters in field: 11
31.	IBAN	International Bank Account Number [if applicable].	ISO 13616 or alternative code if ISO 13616 is unavailable Maximum number of characters in field: 34
32.	Sort code	If applicable.	Numeric Maximum number of characters in field: 6
33.	Product type	<i>Firms</i> must allocate products to one of the following categories: <ul style="list-style-type: none"> • Instant Access Accounts (including current accounts); • Individual Savings Accounts (ISAs); • notice accounts; • fixed term <i>deposits</i> with a term of less than one year; • fixed term <i>deposits</i> with a term of one year or more but less than two years; • fixed term <i>deposits</i> with a term of two years or more but less than four years; • fixed term <i>deposits</i> with a term of four years or more; • other. 	Values: <ul style="list-style-type: none"> • IAA • ISA • NA • FD1 • FD2 • FD4 • FP4P • Other Maximum number of characters in field: 5
34.	Product name	The name of the product held.	Maximum number of characters in field: 50
35.	Account holder indicator	This field applies to joint or multiple accounts. It must identify how many account holders there are in relation to the account.	If the account has one account holder, the "Account Holder Indicator = 001". If the account has two owners, the "Account Holder Indicator = 002" for both account holders. Maximum number of characters in field: 3
36.	Account status code	If applicable, this field should set out any flags that the <i>firm</i> has against an account, including (but not limited to): <ul style="list-style-type: none"> • whether the <i>depositor</i> has any special communication requirements (e.g., Braille) 	Maximum number of characters in field: 50
37.	Exclusion type	If applicable, where the file is an <i>exclusions view</i> , an	Values: a) BEN

		<p>indication of why the account falls within an <i>exclusions view</i>.</p> <p>Identify all of the following which apply:</p> <p>a) The <i>depositor</i> is not absolutely entitled to the sums held in the account;</p> <p>b) The account is a <i>dormant account</i>;</p> <p>c) The account is an account for which the <i>firm</i> has received formal notice of a legal dispute or competing claims to the proceeds of the account;</p> <p>d) The account appears on the "Consolidated list of financial sanctions targets in the United Kingdom" that is maintained by HM Treasury or is otherwise subject to restrictive measures imposed by national governments or international bodies.</p>	<p>b) LEGDOR</p> <p>c) LEGDIS</p> <p>d) HMTS</p> <p>Maximum number of characters in field: 6</p>
38.	Recent transactions.	Has there been any transaction relating to the <i>deposit</i> within the 24 months prior to production of the <i>single customer view</i> or <i>exclusions view, as applicable</i> ?	<p>Values: Yes / No</p> <p>Maximum number of characters in field: 3</p>
39.	Account branch jurisdiction.	If the account is held in a branch outside the United Kingdom, please state in which jurisdiction the account is held [if applicable].	<p>ISO 3166-1 Alpha-3 or alternative code if ISO 3166-1 is unavailable</p> <p>Maximum number of characters in field: 3</p>
40.	<i>BRRD</i> marking	Is the account marked under 13.2? [if applicable].	<p>Value: Yes / No</p> <p>Maximum number of characters in field: 3</p>
41.	Structured deposit accounts	State whether or not the account is a structured deposit account where the account balance is calculated in accordance with 12.11.	<p>Value: Yes / No</p> <p>Maximum number of characters in field: 3</p>
42.	Account balance in sterling	<p>Account balance including any interest, at end of business on:</p> <ul style="list-style-type: none"> the date on which the <i>deposit</i> becomes an <i>unavailable deposit</i>, 	Do not include any non-numeric symbols such as commas, currency symbols (e.g., £).

		<ul style="list-style-type: none"> or the date of request from <i>FSCS</i> or <i>PRA</i> as applicable. 	<p>All balances must be rounded up to two decimal places.</p> <p>Maximum number of characters in field: 15</p>
43.	Currency of account	Currency in which the account is held.	<p>ISO 4217 or alternative code if ISO 4217 is unavailable</p> <p>Maximum number of characters in field: 3</p>
44.	Account balance in original currency	The original balance in the original currency, including any interest at the end of business before conversion to sterling [if applicable].	<p>Do not include any non-numeric symbols such as commas, currency symbols (e.g., £). All balances must be rounded up to two decimal places.</p> <p>Maximum number of characters in field: 15</p>
45.	Exchange rate	The exchange rate used to calculate the sterling balance, and the date on which the calculation was undertaken [if applicable].	<p>Do not include any non-numeric symbols such as commas, currency symbols (e.g., £). All balances must be rounded up to nine decimal places.</p> <p>Maximum number of characters in field: 29</p>
46.	Original account balance before interest	Account balance in original currency before interest accrued applied.	<p>Do not include any non-numeric symbols such as commas, currency symbols (e.g., £). All balances must be rounded up to two decimal places.</p> <p>Maximum number of characters in field: 15</p>
47.	<i>Transferable eligible deposit</i>	If the file is a <i>single customer view</i> , the amount of the <i>transferable eligible deposit</i> [if applicable].	<p>Do not include any non-numeric symbols such as commas, currency symbols (e.g., £). All balances must be rounded up to two decimal places.</p> <p>Maximum number of characters in field: 15</p>
Aggregate balance			
48.	<i>Single customer</i>	Unique customer identifier.	Maximum number of

	view record number		characters in field: 200
49.	Aggregate balance in sterling	Aggregate balance across all accounts at end of business on: <ul style="list-style-type: none"> the date the <i>deposit</i> becomes an <i>unavailable deposit</i>, or the date of request from <i>FSCS</i> or <i>PRA</i> as applicable. 	Do not include any non-numeric symbols such as commas, currency symbols (e.g., £). All balances must be rounded up to two decimal places. Maximum number of characters in field: 15
50.	Compensatable amount in sterling	The amount to be compensated subject to the limit check that must be performed by the <i>firm</i> pursuant to 12.7(2) (this could be lower than the aggregate balance across all accounts if this exceeds the coverage level provided for in 4.2). For beneficiary accounts, it may not be possible to calculate this amount and this field may be left blank.	Do not include any non-numeric symbols such as commas, currency symbols (e.g., £). All balances must be rounded up to two decimal places. Maximum number of characters in field: 15

- 12.10 Where a *firm* prepares both a *single customer view* and an *exclusions view* for a *depositor*, the “unique customer identifier” on both the *single customer view* and the *exclusions view* must be identical.
- 12.11 Where the account is a structured deposit account where the return cannot be calculated until the maturity date because the return is based on growth of an index as determined at a future date, the figure in the account balance (Field 42) must be the total of the principal, any attributable contractual minimum return and any interest accrued prior to the product start date.
- 12.12 Where a *depositor* holds more than one account, the section of the *single customer view* and *exclusions view* which sets out “Details of account(s)” must be completed for each account held.
- 12.13 The amount inserted into each *single customer view* and *exclusions view* as the account balance (Field 42) and aggregate balance across all accounts (Field 49) must be the total of principal plus any interest or premium attributable up to the *compensation date* (or the date on which the *PRA* or *FSCS* requests the *firm* to provide the *single customer view* and *exclusions view* in accordance with 12.2).
- 12.14 A *firm* must ensure that the amount inserted into each *single customer view* and *exclusions view* as the account balance (Field 42), original account balance before interest (Field 46) and aggregate balance across all accounts (Field 49) includes any payment made to the *depositor* for which value has been credited to the *depositor’s* account regardless of whether the *firm* has received the value itself. A *firm* must ensure that the amount inserted into each *single customer view* and *exclusions view* as the account balance (Field 42), original account balance before interest (Field 46) and aggregate

balance across all accounts (Field 49) excludes any payment sent by the *depositor* which has been debited from the *depositor's* account regardless of whether the *firm* has sent value itself.

- 12.15 At the end of the file containing the *single customer view* and *exclusions view* for all *depositors*, the *firm* must include a file footer indicating that the file is complete. The file footer must contain the figure "9" repeated 20 times. The file footer must appear at the end of the complete file containing the *single customer view* or *exclusions view* for all *depositors* after the last record.

13 BRRD MARKING AND CONTINUITY OF ACCESS

- 13.1 This Chapter does not apply to the *FSCS*, *credit unions* or *Northern Ireland credit unions*.

- 13.2 A *firm* must mark accounts which hold:

- (1) *eligible deposits* from natural persons and *micro, small and medium-sized enterprises*; and
- (2) *deposits* that would be *eligible deposits* from natural persons or *micro, small and medium-sized enterprises* if the *deposit* had not been made through a *branch* of the *firm* located outside the EEA

in a way that allows for the immediate identification of such accounts.

- 13.3 A *firm* must, at least annually, take reasonable steps to confirm that a *depositor* that it has classified as a *micro, small and medium-sized enterprise* continues to be a *micro, small and medium-sized enterprise* using the exchange rate prevailing on the 3 July immediately preceding the date on which any confirmation is undertaken.

- 13.4 A *firm* must ensure that its *SCV system*:

- (3) automatically identifies the *transferable eligible deposit* for each *depositor*, including the account or accounts in which the *transferable eligible deposit* is held; and
- (4) automatically identifies any account held by a *depositor* which contains both the *transferable eligible deposit* (or a portion of the *transferable eligible deposit*) and also other *deposits* of the *depositor* which do not form part of the *transferable eligible deposit*.

- 13.5 A *firm* must identify the *transferable eligible deposit* for each *depositor* by applying the amount of the maximum payment for an *eligible deposit* to the accounts included in the *single customer view* in accordance with the hierarchy set out in the table below:

1.	Instant Access Accounts (including current accounts)
2.	ISAs
3.	Notice accounts
4.	Fixed term deposits with a term of less than one year
5.	Fixed term deposits with a term of one year or more but less than two years
6.	Fixed term deposits with a term of two years or more but less than four years
7.	Fixed term deposits with a term of four years or more
8.	Other

- 13.6 A *firm* must have systems in place that enable it to transfer any *eligible deposits* which do not form part of the *transferable eligible deposit* into a separate account.

- 13.7 A *firm* must transfer any *eligible deposits* which do not form part of the *transferable eligible deposits* into a separate account within 48 hours of the *transferable eligible deposits* becoming *unavailable deposits*, or upon receipt of a request of the *PRA*.
- 13.8 A *firm* must have systems in place which enables it to freeze any account which is not marked in accordance with 11.1 and any account included in an *exclusions view* within 5 hours of the *transferable eligible deposits* becoming *unavailable deposits*, or on a request of the *PRA*.
- 13.9 A *firm* must take reasonable steps to ensure the accuracy of the data it holds in order to satisfy the requirements of this Chapter.
- 13.10 The information required by 13.2 must be electronically stored.

14 SINGLE CUSTOMER VIEW AND EXCLUSIONS VIEW REPORTING

- 14.1 This Chapter does not apply to the *FSCS*.
- 14.2 A *firm* must provide the *PRA* and *FSCS* with an *SCV effectiveness report* within three months of receiving a *Part 4A permission to accept deposits*.
- 14.3 A *firm* must notify the *PRA* and *FSCS* of a material change in the *firm's SCV system* within 3 months of the change.
- 14.4 The notification in 14.3 must be accompanied by a statement signed on behalf of the *firm's governing body* confirming that the *firm's SCV system* satisfies the *SCV requirements*.
- 14.5 A *firm* must provide an *SCV effectiveness report* to the *PRA* or *FSCS* promptly upon request by the *PRA* or *FSCS*.
- 14.6 A *firm* must update its *SCV effectiveness report* annually.
- 14.7 A description of a *firm's SCV system* and how it has been implemented must include an explanation of any code or keys used internally by the *firm* so that the *FSCS* can easily identify:
- (1) *eligible deposits* and accounts which are held on behalf of beneficiaries and which contain or may contain *eligible deposits*; and
 - (2) the accounts referred to in 13.2.
- 14.8 A *firm's SCV effectiveness report* must contain:
- (1) a description of:
 - (a) the *firm's SCV system* and how it has been implemented;
 - (b) how the *firm* proposes to transfer to the *FSCS single customer views* including specifying the transfer method and format;
 - (c) the testing undertaken with respect to the robustness of the *firm's SCV system* (including information on preparation of the *single customer view* in stressed scenarios, frequency of testing and reconciliation with core systems);
 - (d) the number of *single customer views* and *exclusions views* in the *firm's SCV system*;

- (e) the *firm's* plan for the ongoing maintenance of the *firm's* SCV system;
 - (f) how the *firm's governing body* will ensure that they remain satisfied that the *firm's* SCV system continues to satisfy the SCV requirements;
 - (g) how the facility required by 12.7(2) is applied;
 - (h) any other factors relevant to the design of the *firm's* SCV system or to an assessment of whether the *firm's* SCV system satisfies the PRA's SCV requirements;
 - (i) any dependencies in creating *single customer views* and *exclusions views* (such as reliance on group systems);
 - (j) treatment of accounts which are *dormant accounts*;
 - (k) how *exclusions views* are created; and
 - (l) a description of the procedures and controls that a *firm* has in place regarding the production of *single customer views* and *exclusions views* (such as secure storage and an indication of how key person dependencies are managed).
- (2) a statement signed on behalf of the *firm's governing body* confirming that the *firm's* SCV system satisfies the SCV requirements;
 - (3) the date when the *firm's* SCV system last produced a *single customer view* and *exclusions view* for each *depositor*;
 - (4) a statement of whether the *firm's* SCV effectiveness report has been reviewed by external auditors, and if so a statement of the findings of that review; and
 - (5) a statement of whether there has been a material change to the *firm's* SCV system since the date of the *firm's* previous SCV effectiveness report.

15 MARKING AND CONTINUITY OF ACCESS REPORTING

- 15.1 This Chapter does not apply to the FSCS.
- 15.2 A *firm* must provide the PRA with a report on its systems to comply with 11.1 and 11.2 and its *continuity of access systems* within three months of receiving a Part 4A permission to accept deposits.
- 15.3 A *firm* must notify the PRA and FSCS of a material change in the *firm's* systems to comply with 11.1 and 11.2 and its *continuity of access systems* within 3 months of the change.
- 15.4 The notification in 15.3 must be accompanied by a statement signed on behalf of the *firm's governing body* confirming that the *firm's* systems to comply with 11.1 and 11.2 and its *continuity of access systems* satisfy the requirements in 11.1, 11.2, 11.8 and 13.4 to 13.9.
- 15.5 A *firm* must provide the report to the PRA promptly upon request by the PRA.
- 15.6 A *firm* must update the report annually.
- 15.7 The report that a *firm* provides under 15.2 must contain:

- (1) a description of:
 - (a) the *firm's* systems to comply with 11.1 and 11.2 and *continuity of access systems* and how those systems have been implemented;
 - (b) the testing undertaken with respect to its systems to comply with 11.1 and 11.2 and *continuity of access systems*;
 - (c) the *firm's* plan for the ongoing maintenance of its systems to comply with 11.1 and 11.2 and *continuity of access systems*;
 - (d) how the *firm's governing body* will ensure that they remain satisfied that its systems to comply with 11.1 and 11.2 and *continuity of access systems* continue to satisfy the requirements of 13.4 to 13.9;
 - (e) any other factors relevant to the design of its systems to comply with 11.1 and 11.2 and *continuity of access systems* or to an assessment of whether those systems satisfy the requirements of 13.4 to 13.9;
 - (f) any dependencies in operating its systems to comply with 11.1 and 11.2 and *continuity of access systems* (such as reliance on group systems);
- (2) a statement signed on behalf of the *firm's governing body* confirming that the *firm's* systems to comply with 11.1 and 11.2 and *continuity of access systems* satisfy the requirements of 13.4 to 13.9;
- (3) a statement of whether the *firm's* systems to comply with 11.1 and 11.2 and *continuity of access systems* have been reviewed by internal or external auditors, and, if so, a statement of the findings of that review; and
- (4) a statement of whether there has been a material change to the *firm's* systems to comply with 11.1 and 11.2 and *continuity of access systems* since the date of the *firm's* previous report.

16 FIRMS' DISCLOSURE OBLIGATIONS – INFORMATION SHEET AND EXCLUSIONS

16.1 This Chapter does not apply to the *FSCS*.

16.2 A *firm* must:

- (1) prepare an 'information sheet', containing the categories of information set out in the template in Annex 1 to this Part and prepare an 'exclusions list' in the form set out in Annex 3 to this Part;
- (2) ensure that the *information sheet* is kept up-to-date;
- (3) before entering into a contract on *deposit-taking* with the intending *depositor*:
 - (a) provide the *exclusions list* to;
 - (b) provide the *information sheet* to; and
 - (c) obtain an acknowledgement of receipt of the *information sheet* from, each intending *depositor*.

- (4) before entering into a contract on *deposit-taking*, inform each intending *depositor* of the exclusions from *deposit guarantee scheme* protection that fall within 2.2(4)(b) and 2.2(4)(k), if applicable.

[Note: Art. 16(1), (2), (3) and (4) of the DGSD]

16.3 Where the *depositor* holds *eligible deposits* through a *UK* establishment, the information sheet must be in English, or, if different, in the language that was agreed between the *depositor* and the *firm* when the account was opened. A *firm* which accepts *eligible deposits* through a branch established in another *EEA* State may provide the information sheet in the official language of that *EEA* State.

[Note: Art. 16(4) of the DGSD]

17 FIRMS' DISCLOSURE OBLIGATIONS - STATEMENTS OF ACCOUNT

17.1 A *firm* must:

- (1) confirm that *deposits* are *eligible deposits* on a *depositor's* statements of account;
- (2) include a reference to the *information sheet* and a reference to the *exclusions list* in a *depositor's* statement of account;
- (3) at least annually, in a *depositor's* statement of account:
 - (a) provide to the *depositor*:
 - (i) the *information sheet*; and
 - (ii) the *exclusions list*; and
 - (b) if applicable, inform the *depositor* of the exclusions from *deposit guarantee scheme* protection that fall within 2.2(4)(b) and 2.2(4)(k); and
- (4) include the following information in a *depositor's* statement of account:

For further information about the compensation provided by the FSCS, refer to the FSCS website at www.FSCS.org.uk.

[Note: Art. 16(1) and (3) of the DGSD]

18 REFERENCES TO THE DEPOSIT GUARANTEE SCHEME IN ADVERTISING

18.1 A *firm* must not, in advertising materials, provide any further information about the *deposit guarantee scheme* beyond referring to the fact that the product advertised is or is not covered by the *deposit guarantee scheme*, and to any further factual information required by law including by this Part.

[Note: Art. 16(5) of the DGSD]

19 DISCLOSURE OF TRANSFER OF DEPOSITS

19.1 In the case of a merger, conversion of *subsidiaries* into *branches*, transfer or similar operations, a *firm* must:

- (1) inform *depositors* at least one month before the operation takes legal effect, save where the *PRA* allows a shorter deadline on grounds of commercial secrecy or financial stability; and
- (2) give *depositors* a three month period following notification in accordance with (1), to withdraw or transfer to another *institution*, without incurring any penalty, such part of their *eligible deposits*, together with any accrued interest and other benefits, as exceed the coverage level pursuant to 4.2 (or, if applicable in the case of a *non-UK scheme*, other transposition of Article 6(1) of the *DGSD*) at the time of the operation.

[Note: Art. 16(6) of the *DGSD*]

20 DISCLOSURE OF WITHDRAWAL OR EXCLUSION FROM THE DEPOSIT GUARANTEE SCHEME

20.1 A *firm* must inform *depositors* within one month if it withdraws from or is excluded from the *deposit guarantee scheme* or any *non-UK scheme*.

[Note: Art. 16(7) of the *DGSD*]

21 METHOD OF COMMUNICATION

21.1 A *firm* may discharge all its information-providing obligations in this Part:

- (1) to *depositors* who use internet banking facilities, by way of electronic communications;
- (2) to *depositors* who receive only paper statements, in writing in paper form; and
- (3) to *depositors* who neither receive paper statements nor use internet banking, in a way that brings it to the attention of the *depositor*,

but it must provide the information on paper if so requested by the *depositor*.

[Note: Art. 16(8) of the *DGSD*]

22 NOTIFICATION REQUIREMENTS ON TRANSFER TO A NON-UK SCHEME

22.1 If a *firm* which is a *DGS member* intends to transfer to become a member of a *non-UK scheme*, and cease to be a *DGS member*, it shall give at least six months' notice to the *FSCS* and the *PRA* of its intention to make such a transfer. During the six month period, the *firm* shall remain a *DGS member*.

[Note: Art. 14(4) of the *DGSD*]

23 DEPOSIT COMPENSATION INFORMATION - BRANCHES AND WEBSITES

23.1 This Chapter does not apply to the *FSCS*.

- 23.2 In this Chapter, references to “compensation sticker” and “compensation poster” are references to the sticker and poster set out in Annex 2 to this Part.
- 23.3 In this Chapter, references to “compensation leaflet” are:
- (1) in the case of a *DGS member*, references to the *FSCS*’s standard leaflet with respect to its protection of *deposits*; and
 - (2) in the case of an *incoming firm* that it is a *credit institution*, references to a leaflet with respect to the protection of *deposits* by the compensation scheme of its *home member state* where such a leaflet is provided electronically and in English by the *home state scheme* or, where a leaflet is not available, a link to the *home state scheme*’s website.
- 23.4 A *firm* that *accepts deposits* under a single brand or trading name must prominently display the compensation sticker and compensation poster in each *branch* in the following ways:
- (1) displaying the compensation sticker or compensation poster in the *branch* window; and
 - (2) displaying:
 - (a) the compensation sticker at each cashier window or desk; and
 - (b) the compensation poster inside the *branch*.
- 23.5 A *firm* that *accepts deposits* under multiple brands or trading names must prominently display the compensation sticker and compensation poster in each *branch* in the following ways:
- (1) displaying the compensation poster in the *branch* window; and
 - (2) displaying:
 - (a) the compensation sticker at each cashier window or desk; and
 - (b) the compensation poster inside the *branch*.
- 23.6 Where the physical design of the *branch* means that it is not possible to comply with any of the requirements of 23.4 and 23.5, a *firm* must display the compensation sticker or the compensation poster in an alternative place in the *branch* that has equal prominence.
- 23.7 A *firm* that *accepts deposits* under a single brand or trading name must, in a way that best brings the information to depositors’ attention:
- (1) display prominently (in electronic form) the compensation sticker; and
 - (2) provide from the compensation sticker an electronic link to the compensation leaflet.
- 23.8 A *firm* that *accepts deposits* under multiple brands or trading names must, in a way that best brings the information to *depositors*’ attention:
- (1) display prominently (in electronic form) the compensation poster; and
 - (2) provide from the compensation poster an electronic link to the compensation leaflet.

23.9 A *firm* must immediately provide the compensation leaflet to any *person* that requests further information about deposit protection.

23.10 A *firm* that accepts *eligible deposits* through a *branch* or *branches* established in other *EEA States* may provide the information required by this Chapter in the official language(s) of the *EEA State* (which may be either the compensation sticker, compensation poster or compensation leaflet in that language or the *firm's* own translation of that compensation sticker, compensation poster or compensation leaflet).

24 DUTIES OF THE FSCS

24.1 This Chapter applies to the *FSCS*.

24.2 The *FSCS* must administer the *deposit guarantee scheme*:

- (1) in accordance with the rules in this Part and any other rules prescribed by law;
- (2) in a manner that is procedurally fair; and
- (3) in accordance with the *European Convention on Human Rights*.

24.3 The *FSCS* must publish for *depositors* on its website all necessary information:

- (1) on the operation of the *deposit guarantee scheme*; and
- (2) on the process, eligibility, exclusions from protection and conditions for payment of compensation,

including all information specified in the *information sheet* as being available on its website.

[Note: Art.16(1) and Art. 16(3) of the *DGSD*]

24.4 The *FSCS* may agree to pay the reasonable costs of a *depositor* bringing or continuing insolvency proceedings against a *DGS member* in respect of *eligible deposits* (whenever instituted), if the *FSCS* is satisfied that those proceedings would help it to discharge its functions under this Part.

24.5 The *FSCS* must have regard to the need to use its resources in an efficient and economic way in carrying out its functions under this Part.

24.6 The *FSCS* must perform stress tests of its systems relating to the payment of compensation in respect of *eligible deposits* at least once every three years and more frequently where the *FSCS* considers it necessary, with the first such stress test taking place by 3 July 2017.

[Note: Art. 4(10) of the *DGSD*]

24.7 The *FSCS* shall use the information necessary to perform stress tests of its systems relating to the payment of compensation in respect of *eligible deposits* only for the performance of those tests and shall keep such information no longer than is necessary for that purpose.

[Note: Art. 4(11) of the *DGSD*]

24.8 The *FSCS* must take appropriate steps to ensure that *depositors* are informed of the process for receiving compensation as soon as a possible after the *compensation date*.

24.9 The *FSCS* must inform the *PRA* immediately if it becomes aware of any instance of a *firm* not complying with its obligations as set out in this Part.

[Note: Art. 4(4) of the *DGSD*]

24.10 The *FSCS* must correspond with a *depositor* in any one of:

- (1) English; or
- (2) any other official Union language or Welsh if that language is used by the *firm* which holds the *eligible deposit* when communicating with that *depositor*.

[Note: Art. 8(7) of the *DGSD*]

24.11 The *FSCS* must have in place sound and transparent governance practices.

[Note: Art. 4(12) of the *DGSD*]

25 CLAIMS AGAINST THE FSCS AND CHALLENGING FSCS DECISIONS

25.1 The *FSCS* must ensure that a *person* who would be, or considers that they would be, affected by an *FSCS* decision in relation to compensation, has an opportunity to make representations in respect of that potential decision before it is finalised.

25.2 The *FSCS* may provide that *depositors* may only submit claims for compensation in respect of *deposits* within a specified period of time (not less than three months) from the expiry of the applicable time period for payment of compensation as specified in 9.2 or the decision of the *FSCS* under 9.3 or 9.4.

25.3 The *FSCS* must, if requested by the *depositor* and subject to other applicable laws, give reasons to the *depositor* for any decision not to pay compensation in relation to some or all of their *deposits*.

25.4 The procedure established by the *FSCS* under this Chapter must satisfy the minimum requirements of procedural fairness and comply with *the European Convention on Human Rights* for the handling of any complaints of maladministration relating to any aspect of the operation of the *deposit guarantee scheme*.

[Note: Art. 9(1) and (3) of the *DGSD*]

26 CONFIDENTIALITY, INFORMATION SHARING AND CO-OPERATION

26.1 The *FSCS* must ensure the confidentiality and the protection of the data pertaining to *depositors'* accounts. The processing of such data must be carried out in accordance with the Data Protection Act 1998.

[Note: Art. 4(9) of the *DGSD*]

26.2 The *FSCS* must exchange with *host state schemes* (in relation to a *DGS member*), information:

- (1) relating to the *DGS member's* compliance with this Part;
- (2) necessary to prepare for a repayment of *depositors*, including markings made under Chapter 11;
- (3) communicated to the *FSCS* by the *PRA* that the *PRA* has detected problems with a *DGS member* that are likely to give rise to the intervention of the *deposit guarantee scheme*.

[Note: Art. 14(4) of the *DGSD*]

26.3 The *FSCS* must have appropriate procedures in place to enable it to share information and communicate effectively with *non-UK schemes*, the members of such schemes, and bodies outside the *UK*. The *FSCS* shall inform the *PRA* of any cooperation agreement it enters into with a *non-UK scheme*.

[Note: Art. 14(6) of the *DGSD*]

26.4 In order to facilitate effective co-operation, the *FSCS* shall have written co-operation agreements in place with *non-UK schemes*. Such agreements shall take account of 26.1.

[Note: Art. 14(5) of the *DGSD*]

27 PAYMENTS IN RESPECT OF UK BRANCHES OF INCOMING FIRMS AND EEA BRANCHES OF DGS MEMBERS

27.1 This Chapter applies only to the *FSCS*.

27.2 Where the *FSCS* is required under the *deposit guarantee scheme regulations* to pay compensation on behalf of a *non-UK scheme*, the *FSCS* must inform the *depositors* concerned that the relevant *credit institution* is *in default* and of their right to compensation on behalf of the *non-UK scheme*. The *FSCS* may receive correspondence from those depositors on behalf of the *non-UK scheme*.

[Note: Art. 14(2) of the *DGSD*]

27.3 Where the *FSCS* is required, under this Part, to pay compensation to a *depositor* in respect of *deposits* held with a branch of a *DGS member* in an *EEA state* other than the *UK*, the *FSCS* must instruct the relevant *non-UK scheme* to make such payments on its behalf. The *FSCS* must provide the necessary funding prior to payout by the *non-UK scheme* and must compensate the *non-UK scheme* for costs incurred by the *non-UK scheme* with regard to acts done by the *non-UK scheme* in accordance with the instructions given by the *FSCS*.

[Note: Art. 14(2) of the *DGSD*]

28 SUBROGATION

28.1 This Chapter applies to the *FSCS*.

28.2 The *FSCS* may determine that the payment of compensation by the *FSCS* shall have all or any of the following effects:

- (1) the *FSCS* shall immediately and automatically be subrogated, subject to such conditions as the *FSCS* determines are appropriate, to all or any part (as determined by the *FSCS*) of the rights and claims in the *UK* and elsewhere of the *compensation recipient* against the *DGS member* and/or any third party (whether such rights are legal, equitable or of any other nature whatsoever and in whatever capacity the *DGS member* or third party is acting) in respect of or arising out of the *compensation recipient's deposits* being *unavailable*;
- (2) the *FSCS* may claim and take legal or any other proceedings or steps in the *United Kingdom* or elsewhere to enforce such rights in its own name or in the name of, and on behalf of, the *compensation recipient* or in both names against the *relevant credit institution* and/or any third party;
- (3) the subrogated rights and claims conferred on the *FSCS* shall be rights of recovery and claims against the *relevant credit institution* and/or any third party which are equivalent (including as to amount and priority and whether or not the relevant *DGS member* is insolvent) to and not exceed the rights and claims that the *compensation recipient* would have had; and/or
- (4) such rights and/or obligations (as determined by the *FSCS*) as between the *firm* and the *compensation recipient* arising out of the *compensation recipient's deposit* being *unavailable*, shall be transferred to, and subsist between, another *firm* and the *compensation recipient* provided that the *firm* has consented (but the transferred rights and/or obligations shall be treated as existing between the *firm* and the *FSCS* to the extent of any subrogation, transfer or assignment for the purposes of (1) to (3) and 28.3).

[Note: Art. 9(2) of the *DGSD*]

28.3

- (1) The *FSCS* may determine that, if it is necessary or desirable in conjunction with the exercise of the *FSCS's* powers under 28.2, that the *compensation recipient* 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 *UK*, another *EEA State* or any other state or law-country to create or give effect to such assignment or transfer or otherwise give full effect to those powers.
- (2) The execution of any deed or document under (1) shall be as effective as if made in writing by the compensation recipient or by his agent lawfully authorised in writing or by will.

28.4

- (1) The powers conferred on the *FSCS* in 28.2 and 28.3 to make a determination must be exercised in writing.
- (2) An instrument by which the *FSCS* makes a determination must specify the provision under which it is made, the date and the time from which it takes effect and the *DGS member* and the *eligible deposits* or classes of *eligible deposit* in respect of which it applies.

- (3) The *FSCS* must take appropriate steps to publish the determination as soon as possible after it is made. Such publication must be accompanied by a statement explaining the effect of 28.2 and the *FSCS*'s determination.
- (4) Failure to comply with any requirement under this rule does not affect the validity of the determination.
- (5) A determination by the *FSCS* under 28.2 may be amended, remade or revoked at any time and subject to the same conditions.

28.5

- (1) The production of a copy of the determination purporting to be made by the *FSCS* under this Chapter:
 - (a) on which is endorsed a certificate, signed by a member of the *FSCS*'s staff authorised by it for that purpose; and
 - (b) which contains the required statements;
 is evidence (or in Scotland sufficient evidence) of the facts stated in the certificate.
- (2) The required statements are:
 - (a) that the determination was made by the *FSCS*; and
 - (b) that the copy is a true copy of the determination.
- (3) A certificate purporting to be signed as mentioned in (1) is to be taken to have been properly signed unless the contrary is shown.
- (4) A *person* who wishes in any legal proceedings to rely on a determination may require the *FSCS* to endorse a copy of the determination with a certificate of the kind mentioned in (1).

29 DUTIES ON FSCS TO PURSUE RECOVERIES

- 29.1 If the *FSCS* takes a transfer of rights from the *compensation recipient* or is otherwise subrogated to the rights of the *compensation recipient*, it must pursue all and only such recoveries as it considers are likely to be both reasonably possible and cost effective to pursue.
- 29.2 If the *FSCS* decides not to pursue such recoveries and a *compensation recipient* wishes to pursue those recoveries and so requests in writing, the *FSCS* must comply with that request and assign the rights back to the *compensation recipient*.

30 RECOVERIES OF ELIGIBLE DEPOSITS: RETURN OF SURPLUS TO COMPENSATION RECIPIENT

30.1 If the *FSCS*, in relation to a *claim* for *eligible deposits*, makes recoveries from the *credit institution* or any third party in respect of that *eligible deposit* the *FSCS* must:

- (1) retain from those recoveries a sum equal to the "FSCS retention sum"; and
- (2) as soon as reasonably possible after it makes the recoveries, pay to the *compensation recipient* (or, if not the *depositor*, as directed by the *depositor*), a sum equal to the "top up payment".

30.2 The *FSCS* must calculate the "FSCS retention sum" and the "top up payment" as follows:

- (1) calculate the "recovery ratio", being the ratio of:
 - (a) the amount recovered by the *FSCS* through rights assigned or transferred or otherwise subrogated (less any deduction from that amount the *FSCS* may make to cover part or all of its reasonable costs of recovery and distribution); to
 - (b) the compensation recipient's *claim* for *eligible deposits* against the *credit institution* less any liability of a *home state scheme*;
- (2) subtract the sum paid by the *FSCS* as compensation and any amount paid or payable by a *home state scheme* to the *compensation recipient* from the total value of the *compensation recipient's* overall *claim* for *eligible deposits*, to give the "compensation shortfall";
- (3) apply the recovery ratio to the sum paid by the *FSCS* as compensation to the *compensation recipient*, to give the "FSCS retention sum"; and
- (4) apply the recovery ratio to the compensation shortfall, to give the "top up payment".

31 FUNDING - AVAILABLE FINANCIAL MEANS

31.1 This Chapter applies only to the *FSCS*.

31.2 The *FSCS* must have in place adequate systems to determine the potential liabilities of the *deposit guarantee scheme* and ensure that the *available financial means* of the *deposit guarantee scheme* are proportionate to those liabilities.

[Note: Art. 10(1)(first paragraph) of the *DGSD*]

31.3 The *FSCS* must primarily use the *available financial means* of the *deposit guarantee scheme* to repay *depositors* pursuant to the *deposit guarantee scheme*.

[Note: Art. 11(1) of the *DGSD*]

32 FUNDING - USE OF EXISTING MANDATORY CONTRIBUTIONS

32.1 This Chapter applies only to the *FSCS*.

32.2 If the PRA determines, in accordance with the *deposit guarantee scheme regulations*, that the FSCS is unable to raise a *DGS compensation costs levy* from *DGS members* to meet the liabilities of the *deposit guarantee scheme*, the FSCS may borrow an amount equal to the amount of such *mandatory contributions* in order to meet the liabilities of the *deposit guarantee scheme*.

[Note: Art. 10(4) (third paragraph) of the DGSD]

32.3 The FSCS must impose a *DGS compensation costs levy* on *DGS members* sufficient to repay any amounts equal to *mandatory contributions* borrowed in accordance with Article 10 (4) of the DGSD within a reasonable time and in accordance with repayment deadlines under the applicable loan agreement and 34.3.

[Note: Art. 10(4) (third paragraph) and Article 10(2) (second paragraph) of the DGSD]

33 FUNDING - FSCS'S POWER TO LEVY AND LIMITS ON LEVIES

33.1 This Chapter applies only to the FSCS.

33.2 The FSCS may, at any time, impose on *DGS members* a:

- (1) *DGS compensation costs levy*;
- (2) *DGS management expenses levy*; or
- (3) *legacy costs levy*.

33.3 The maximum aggregate amount of *DGS compensation costs*, *legacy costs* and *DGS specific costs* for which the FSCS can levy *class A* in any one financial year of the *deposit guarantee scheme* is limited to £1,500,000,000 less whatever *DAS compensation costs* and *DAS specific costs* the FSCS has imposed on *class J* in the same year.

33.4 The maximum amount of *DGS compensation costs* for which the FSCS can levy *DGS members* per calendar year must not exceed 0.5% of total covered deposits (excluding *temporary high balances*) of all *DGS members*. The FSCS may in exceptional circumstances and with the prior consent of the PRA impose higher levies.

[Note: Art. 10(8) of the DGSD]

34 FUNDING - DGS COMPENSATION COSTS LEVY

34.1 This Chapter applies only to the FSCS.

34.2 The FSCS must raise *available financial means* by imposing a *DGS compensation costs levy* on *DGS members* at least once in each financial year for expenditure incurred or expected in the period of 12 months following 1 July in that year.

[Note: Art. 10(1)(second paragraph) of the DGSD]

34.3

- (1) If, after the *available financial means* of the *deposit guarantee scheme* have reached the *target level* for the first time, the *available financial means* have been reduced to less

than two-thirds of the *target level*, the *FSCS* must impose regular *DGS compensation cost levies* on *DGS members* at a level allowing the *target level* to be reached again within six years.

(2) The regular levies imposed under (1) shall take due account of the phase of the business cycle and the impact that procyclical contributions may have when setting annual contributions.

[Note: Art. 10(2) (third and fourth paragraphs) of the *DGSD*]

34.4 *DGS compensation cost levies* imposed on *DGS members* to raise the *available financial means* of the *deposit guarantee scheme* must be based on the amount of *covered deposits* (excluding *temporary high balances*) incurred by the respective *DGS member*.

[Note: Art. 13(1) of the *DGSD*]

34.5 The *FSCS* may decide that a *DGS member* must pay a minimum contribution under a *DGS compensation costs levy*, irrespective of the amount of its *covered deposits*.

[Note: Art. 13(1) (fifth paragraph) of the *DGSD*]

34.6 The *FSCS* may only impose a *DGS compensation costs levy* on *DGS members* if the *FSCS* has reasonable grounds for believing that the funds available to it to meet relevant expenses are, or will be, insufficient, taking into account expenditure already incurred, actual and expected recoveries and the level of the *FSCS*'s expected expenditure in respect of *DGS compensation costs* in the 12 *months* immediately following the levy.

34.7 The *FSCS* may include in a *DGS compensation costs levy* the costs of compensation paid by the *FSCS* in error, provided that the payout was not made in bad faith.

35 FUNDING - DGS MANAGEMENT EXPENSES LEVY

35.1 This Chapter applies only to the *FSCS*.

35.2 The *FSCS* may only impose a *DGS management expenses levy* on *DGS members* if it has reasonable grounds for believing that the funds available to it to meet relevant expenses are, or will be, insufficient, taking into account expenditure already incurred, actual and expected recoveries and the level of the *FSCS*'s expected expenditure in respect of those expenses in the financial year of the *deposit guarantee scheme* in relation to which the levy is imposed.

35.3 The *FSCS* must apply any amount collected from a *DGS management expenses levy* to the payment of *management expenses* and, as such, must not treat such funds as available financial means of the *deposit guarantee scheme*.

36 FUNDING - LEGACY COSTS LEVY

36.1 This Chapter applies only to the *FSCS*.

36.2 The *FSCS* must not impose a *legacy costs levy* on *Northern Ireland credit unions* in respect of *legacy costs* incurred before 31 March 2012.

- 36.3 The FSCS must apply any amount collected from a *legacy costs levy* to the payment of *legacy costs* and, as such, must not treat such funds as *available financial means* of the *deposit guarantee scheme*.
- 36.4 The FSCS must allocate any *legacy costs levy* to *DGS members* subject to the levy limit for *class A* under 33.3.
- 36.5 The FSCS must calculate each *DGS member's* share of a *legacy costs levy* by:
- (1) identifying the *legacy costs* allocated to *class A*;
 - (2) calculating the *DGS member's class A tariff base* as a proportion of the total *class A tariff base* of all *DGS members* (excluding *Northern Ireland credit unions*), using the *statement of business* most recently supplied;
 - (3) applying the proportion calculated in (2) to the figure in (1).
- 36.6 *Legacy cost levies* must be based on the amount of *covered deposits* (excluding *temporary high balances*) incurred by the respective *DGS member*.
- 36.7 A *firm* which becomes a *DGS member* part way through a financial year of the *deposit guarantee scheme* will not be liable to pay a share of a *legacy costs levy* made in that year.
- 36.8 41.5 applies to the calculation of a *DGS member's legacy costs levy* and its *class A tariff base* as it applies to the calculation of its *DGS specific costs levy*.

37 FUNDING - MANAGEMENT OF FUNDS LEVIED

- 37.1 This Chapter applies only to the FSCS.
- 37.2 If the FSCS invests any *available financial means* of the *deposit guarantee scheme*, it must invest it in a low-risk and sufficiently diversified manner.

[Note: Art. 10(7) of the DGSD]

- 37.3 The FSCS must hold any amount collected from a *DGS specific costs levy*, *DGS compensation costs levy* or *legacy costs levy* to the credit of *class A*.
- 37.4 Interest earned by the FSCS in the management of funds held to the credit of *class A* must be credited to that *class*, and must be set off against the *DGS management expenses*, *DGS compensation costs* and *legacy costs* allocated to that *class*.
- 37.5 The FSCS must keep accounts which include:
- (1) the funds held to the credit of *class A*; and
 - (2) the liabilities of *class A*.

38 FUNDING - ADJUSTMENTS TO LEVY SHARES

- 38.1 This Chapter applies only to the FSCS.

- 38.2 If a *DGS member's* share of a *DGS levy* or an additional administrative fee or interest under 45.3 would be so small that, in the opinion of the *FSCS*, the costs of collection would be disproportionate to the amount payable, the *FSCS* may treat the *DGS member* as if its share of the levy or additional administrative fee amounted to zero.
- 38.3 The calculation of *DGS levies* must take into account previous levies, where funds raised in anticipation of meeting liabilities prove either more or less than the amount actually required.
- 38.4 The *FSCS* may adjust the calculation of a *DGS member's* share of any *DGS levy* to take proper account of:
- (1) any excess, not already taken into account, between previous levies of that type imposed in relation to previous periods and the relevant costs actually incurred in that period; or
 - (2) amounts that the *FSCS* has not been able to recover from *DGS members* as a result of 33.3 or 33.4; or
 - (3) amounts that the *FSCS* has not been able to recover from *DGS members* after having taken reasonable steps; or
 - (4) payments deferred under 46.2, the calculation of levies after an acquisition of deposit business under Chapter 39 or Chapter 40, calculations under 41.6; or
 - (5) anything else that the *FSCS* believes on reasonable grounds should be taken into account.
- 38.5 The *FSCS* must not adjust the calculation of a *DGS member's* share of any *DGS levy* under 38.4 on the grounds that it would be inequitable for that *firm* to pay that share or part of it or on the grounds that it would be inequitable for the *FSCS* to retain that share or part of it. Any such claim should be dealt with under Chapter 46.

39 FUNDING - BUSINESS ACQUISITIONS FROM DGS MEMBERS

- 39.1 This Chapter applies only to the *FSCS*.
- 39.2 If:
- (1) a *DGS member* (A) assumes a liability to repay *deposits* held by another *DGS member* (B);
 - (2) B is no longer liable to pay a *DGS levy* to the *FSCS*; and
 - (3) the assumption of liability takes place after the date to which, or as of which, A's most recent *statement of business* is drawn up,
- the *FSCS* must require A to pay an additional amount equal to the levy that would have been payable by B in relation to the relevant business and *class A* if the acquisition had not taken place and B had remained liable to pay *DGS levies*. The amount is based on the B's most recent *statement of business*.

39.3 This Chapter only applies with respect to those financial years of the *FSCS* for which A's levies are calculated on the basis of a *statement of business* drawn up to a date, or as of a date, before the assumption of liability took place.

40 FUNDING - BUSINESS ACQUISITIONS FROM NON-DGS MEMBERS

40.1 This Chapter applies only to the *FSCS*.

40.2 If a *DGS member* (A) assumes a liability to repay *deposits* held by a non-*DGS member* (B) and the assumption of liability takes place after the date to which, or as of which, A's most recent *statement of business* is drawn up, the *FSCS* must not require A to pay an additional amount as a result of that acquisition.

40.3 This Chapter only applies with respect to those financial years of the *FSCS* for which A's levies are calculated on the basis of a *statement of business* drawn up to a date, or as of a date, before the assumption of liability took place.

41 FUNDING - MANAGEMENT EXPENSES

41.1 A *DGS member's* share of a *DGS management expenses levy* consists of one or more of: (1) a share of a *DGS base costs levy* and (2) a share of a *DGS specific costs levy*.

41.2 The *FSCS* must ensure that each *DGS member's* share of a *DGS management expenses levy* separately identifies the *firm's* share of the *DGS base costs levy* and *DGS specific costs levy*.

41.3 The *FSCS* must allocate any *DGS specific costs levy* to *class A* up to the levy limit for *class A* under 33.3.

41.4 The *FSCS* must calculate a *DGS member's* share of a *DGS specific costs levy* by:

- (1) identifying *DGS specific costs* which the *FSCS* has incurred, or expects to incur, in the relevant financial year of the *deposit guarantee scheme* allocated to *class A*, but not yet levied;
- (2) calculating the *DGS member's class A tariff base* as a proportion of the total *class A tariff base*, using the *statement of business* most recently supplied; and
- (3) applying the proportion calculated in (2) to the figure in (1).

41.5 The *FSCS* must not require a *firm* (A) which becomes a *DGS member* part way through a financial year of the *deposit guarantee scheme* to pay a share of a *DGS specific costs levy* until the financial year of the *FSCS* following the *FSCS* financial year in which A became a *DGS member*, at which time A's share of a *DGS specific costs levy* must be calculated under 41.6.

41.6

- (1) Unless otherwise provided in (2), A's *class A tariff base* is calculated, where necessary, using a projected valuation of the business to which the tariff relates.
- (2)

- (a) If A's *class A tariff base* is calculated using data from a period that begins on or after it became a *DGS member*, that data must be used to calculate A's *class A tariff base*
- (b) If A's *class A tariff base* satisfies the following conditions, it must be calculated under (c)
 - (i) A became a *DGS member* between 1 April and 31 December inclusive; and
 - (ii) A's *class A tariff base*, but for this rule, is calculated by reference to the financial year ended in the calendar year ending 31 December or the twelve *months* ending 31 December before the *FSCS* financial year.
- (c) If A satisfies the conditions in (b) it must calculate its *class A tariff base* as follows:
 - (i) it must use actual data in relation to the business to which the tariff relates rather than projected valuations;
 - (ii) the tariff is calculated by reference to the period beginning on the date it became a *DGS member* and ending on the 31 December before the start of the *FSCS* financial year; and
 - (iii) the figures are annualised by increasing them by the same proportion as the period of 12 *months* bears to the period starting from when the *DGS member* became a *DGS member* to the 31 December, as the case may be.
- (d) Where A is required to use the method in (c) it must notify the *FSCS* of its intention to do so by the date specified in 44.2.
- (e) Where A is required to use actual data under this rule, Chapter 43 is disappplied, to the extent it is incompatible, in relation to the calculation of that *DGS member's* valuation date in its second financial year.

42 FUNDING - DGS COMPENSATION COSTS

- 42.1 This Chapter applies only to the *FSCS*.
- 42.2 The *FSCS* must allocate any *DGS compensation costs levy* to *DGS members* in accordance with the amount of *DGS compensation costs* arising from, or expected to arise from claims in respect of *covered deposits* up to the levy limit of *class A* under 33.3.
- 42.3 The *FSCS* must calculate each *DGS member's* share of a *DGS compensation costs levy* by:
- (1) identifying the *DGS compensation costs* allocated to *class A*;
 - (2) calculating, in relation to *class A*, the *DGS member's* tariff base as a proportion of the total tariff base of all *DGS members* in *class A*, using the *statement of business* most recently supplied;

- (3) applying the proportion calculated in (2) to the figure in (1).
- 42.4 When calculating a *DGS member's* share of a *DGS compensation costs levy* or *DGS specific costs levy* allocated to *class A*, the *FSCS* must use the *class A tariff base*.
- 42.5 A *firm* which becomes a *DGS member* part way through a financial year of the *deposit guarantee scheme* will not be liable to pay a share of a *DGS compensation costs levy* made in that year.
- 42.6 41.5 applies to the calculation of a *DGS member's DGS compensation costs levy* and its tariff base as it applies to the calculation of its *specific costs levy*.

43 FUNDING - CLASS A TARIFF BASE CALCULATION

- 43.1 The *Class A tariff base* is *covered deposits* (excluding *temporary high balances*) as at 31 December except that, where the *covered deposit* is a *dormant account*, the applicable tariff base is *dormant account* multiplied by 0.2 as at 31 December.
- 43.2 The *class A tariff base* calculation must be made on the basis of the information that the *firm* would have to include in its *single customer views*. The information must be of the extent and standard required if the *firm* was preparing the *single customer view* in accordance with the *SCV requirements* as at the valuation date for the tariff base.
- 43.3 A *firm* must also include in its *class A tariff base* calculation the total balance of any *deposits* in any:
- (1) *not active* account; or
 - (2) account which holds funds to which the account holder is not absolutely entitled.

44 FUNDING - REPORTING REQUIREMENTS

- 44.1 This Chapter does not apply to the *FSCS*.
- 44.2 A *firm* must provide the *FSCS* by end of February each year (or, if it has become a *DGS member* part way through the financial year, by the date requested by the *PRA*) with a statement of the total amount of business (measured in accordance with the *class A tariff base*) which it conducted, in respect of the most recent valuation period ending before the relevant year in relation to *class A*.
- The relevant year means the year in which the month of February (referred to above) falls.
- The valuation period will be 31 December.
- 44.3 A new *DGS member* must calculate its *class A tariff base* in accordance with 41.6.
- 44.4 If a *firm* does not submit a complete *statement of business* by the date on which it is due in accordance with 44.2 and any prescribed submission procedures:
- (1) the *firm* must pay an administrative fee of £250 (but not if it is already subject to an administrative fee by the *PRA* for the same financial year); and

- (2) the *DGS compensation costs levy* and any *DGS specific costs levy* will be calculated using (where relevant) the valuation or valuations of business applicable to the previous period, multiplied by the factor of 1.10 (or, if it has become a *DGS member* part way through a financial year, on the basis of the information provided to the *PRA* for the purposes of FEES 4.4.2 R or on any other reasonable basis, making such adjustments as seem appropriate in subsequent levies once the true figures are known).

45 FUNDING - OBLIGATION TO PAY

- 45.1 This Chapter does not apply to the *FSCS*.
- 45.2 A *firm* must pay to the *FSCS* its share of each:
- (1) *DGS management expenses levy*; and
 - (2) *DGS compensation costs levy* and *legacy costs levy* allocated to *class A*.
- 45.3 If a *firm* does not pay the total amount of its share of a *DGS levy*, before the end of the date on which it is due, it must pay an additional amount as follows:
- (1) if the *DGS levy* was not paid in full before the end of the due date, an administrative fee of £250; and
 - (2) interest on any unpaid part of the *DGS levy* or administrative fee at the rate of 5% per annum above the Official Bank Rate from time to time in force, accruing on a daily basis from the date on which the amount concerned became due.

46 FUNDING - OVERPAYMENTS AND DEFERRAL OF PAYMENTS

- 46.1 The *FSCS* may reduce, remit or refund any overpaid amounts paid by a *DGS member* in respect of a particular period, due to a mistake of law or fact by the *DGS member* provided that the claim is made by the *DGS member* not more than two years after the beginning of the period to which the overpayment relates.
- 46.2 The *PRA* may defer, in whole or in part, a *DGS member's* obligation to pay a *DGS compensation costs levy* or a *legacy costs levy* if the *PRA* considers that such contributions would jeopardise the liquidity or solvency of the *firm*. Such deferral shall not be granted for a longer period than six months but may be renewed upon request of the *firm*.
- 46.3 Any contributions deferred pursuant to 46.2 shall be paid when the payment no longer jeopardises the liquidity and solvency of the *firm*.

[Note: Art. 10(8) of the *DGSD*]

47 FUNDING - PAYMENT OF LEVIES

- 47.1 This Chapter does not apply to the *FSCS*.

- 47.2 A *firm* must pay its share of a *DGS levy* in one payment.
- 47.3 A *firm's* share of a *DGS levy* is due on, and payable within, 30 days of the date when the invoice is issued.
- 47.4 A *firm* must pay its share of a *DGS levy* by either direct debit, credit transfer (e.g. BACS or CHAPS), cheque, Maestro, Visa Debit or by credit card (Visa/Mastercard/American Express only).
- 47.5 If a *firm* ceases to be a *DGS member* part way through a financial year of the *deposit guarantee scheme*:
- (1) it will remain liable for any unpaid levies which the *FSCS* has already made on the *firm*; and
 - (2) the *FSCS* may make one or more levies upon it (which may be before or after the *firm* has ceased to be a *DGS member* but must be before it ceases to be a *firm*) for the costs which it would have been liable to pay had the *FSCS* made a levy on all *DGS members* in the financial year it ceased to be a *DGS member*.

48 FUNDING - TRANSFER OF LEVIES

- 48.1 This Chapter applies only to the *FSCS*.
- 48.2 If a *firm* ceases to be a *DGS member* and joins a *non-UK scheme*, the *FSCS* must transfer the contributions paid by that *firm* to the *available financial means* of the *deposit guarantee scheme* during the 12 months preceding the end of the membership to the relevant *non-UK scheme*.
- 48.3 48.2 does not apply if the *firm* has been excluded from the *deposit guarantee scheme* pursuant to Article 4(5) of the *DGSD*.
- 48.4 If some of the activities of a *DGS member* are transferred to another *Member State* and become subject to a *non-UK scheme*, the contributions paid by that *firm* during the 12 months preceding the transfer shall be transferred to the relevant *non-UK scheme* in proportion to the amount of *covered deposits* transferred.

[Note: Art. 14(3) of the *DGSD*]

49 TRANSITIONAL PROVISIONS – MARKING EFFECTIVENESS REPORT

- 49.1 This Chapter does not apply to the *FSCS*.
- 49.2 In this Chapter, the following definition shall apply:
- marking effectiveness report*
- means a report from a *firm's governing body* confirming that the *firm* satisfies the *marking requirements* and containing the information required by 49.7; and
- marking requirements*
- means the requirements in 11.1 and 11.2.

- 49.3 A *firm* must provide the *PRA* with a *marking effectiveness report* within three months of receiving a *Part 4A permission to accept deposits*.
- 49.4 A *firm* must notify the *PRA* and *FSCS* of a material change in the *firm's* systems to satisfy the *marking requirements* within 3 months of the change.
- 49.5 The notification in 49.4 must be accompanied by a statement signed on behalf of the *firm's governing body* confirming that the *firm's* systems satisfy the *marking requirements*.
- 49.6 A *firm* must provide a *marking effectiveness report* to the *PRA* or *FSCS* promptly upon request by the *PRA* or *FSCS*.
- 49.7 A *firm's marking effectiveness report* must contain:
- (1) a description of:
 - (a) the *firm's* systems or to satisfy the *marking requirements* and how they have been implemented (the *firm's* systems include any manual systems used by the *firm* and any code or keys used internally by the *firm* to mark *eligible deposits* and accounts which are held on behalf of beneficiaries and which contain or may contain *eligible deposits*);
 - (b) the testing undertaken with respect to the robustness of the *firm's* systems;
 - (c) the number of marked accounts that contain *eligible deposits*;
 - (d) the *firm's* plan for the ongoing maintenance of its systems;
 - (e) how the *firm's governing body* will ensure that they remain satisfied that the *firm's* systems continue to satisfy the *marking requirements*; and
 - (f) any other factors or dependencies relevant to the design and operation of the *firm's* systems or to an assessment of whether the systems satisfy the *marking requirements*;
 - (2) a statement signed on behalf of the *firm's governing body* confirming that the *firm* satisfies the *marking requirements*;
 - (3) a statement of whether the *firm's marking effectiveness report* has been reviewed by external auditors, and if so, a statement of the findings of that review; and
 - (4) a statement of whether there has been a material change to the *firm's* systems since the date of the *firm's* previous *marking effectiveness report*.

50 TRANSITIONAL PROVISIONS – SINGLE CUSTOMER VIEW

- 50.1 This Chapter does not apply to the *FSCS*.
- 50.2 This Chapter does not apply in relation to an *eligible deposit*:
- (1) of a *large company*;
 - (2) contained in an account that is *not active*; or
 - (3) contained in an account that holds funds to which a *depositor* is not absolutely entitled.
- 50.3 In this Chapter, the following definitions shall apply:

large company

means a *body corporate* which does not qualify as a small company under section 382 of the Companies Act 2006

single customer view

means a single, consistent view of a *depositor's* aggregate *eligible deposits* with a *firm* which contains the information required by 50.11;

50.4 A *firm* must be able to provide to the *PRA* or the *FSCS* its *single customer views* within 72 hours of a request being made by the *PRA* or *FSCS*.

50.5 A *firm* must be able to provide the *single customer view* by secure electronic transmission and in a format which is readily transferable to and compatible with the *FSCS's* systems.

50.6 A *firm* must ensure that the electronic systems which produce *the single customer view* must:

- (1) be capable of automatically identifying the amount of *covered deposits* payable to each *depositor*; and
- (2) include a check facility which allows the *firm* to identify any portion of an *eligible deposit* that exceeds the coverage level provided for in 4.2.

50.7 A *firm* that operates fewer than 5,000 accounts which contain *eligible deposits* on 3 July 2015 may:

- (1) elect that 50.5 and 50.6 do not apply; and
- (2) revoke any such election.

50.8 A *firm* that revokes an election, may not make a further election under 50.7.

50.9 A *firm* that operates 5,000 or more accounts which contain *eligible deposits* on 3 July 2015 may not make an election under 50.7 if, on a future date, it operates less than 5,000 accounts which contain *eligible deposits*.

50.10 The election or revocation of the election takes effect only where the *firm* provides written notice to the *PRA* of the election or revocation.

50.11 A *firm* must ensure that a *single customer view* contains all the information set out in the table below.

Field identifier	Field descriptor
Customer details	
<i>Single customer view</i> record number	Unique customer identifier
Title	Title [if applicable and where held by the <i>firm</i>]
Customer 1st Forename	1st Forename [if applicable]
Customer 2nd Forename	2nd Forename [if applicable and where held by the <i>firm</i>]
Customer 3rd Forename	3rd Forename [if applicable and where held by the <i>firm</i>]

Field identifier	Field descriptor
Customer Surname [or company name or name of account holder]	Surname [or company name or name of account holder] ³
Previous Name	Any former name of account holder [where held by the <i>firm</i>]
National Insurance number	National Insurance number, where held by the <i>firm</i>
Contact details	
EITHER Format A	
<i>Single customer view</i> record number	Unique customer identifier
House number	House number/Premise name
Street	Street
Locality	Locality [where held by the <i>firm</i>]
County	County [where held by the <i>firm</i>]
Postcode	Postcode [where used by a country]
Country	Country [for countries outside the <i>UK</i>]
OR Format B	
Single customer view record number	Unique customer identifier
ADDRESS LINE 1	As required
ADDRESS LINE 2	As required
ADDRESS LINE 3	As required
ADDRESS LINE 4	As required
ADDRESS LINE 5	As required
ADDRESS LINE 6	As required
Postcode	Postcode [where used by a country]
Country	Country [for countries outside the <i>UK</i>]
Details of account(s)	
<i>Single customer view</i> record number	Unique customer identifier
Account title	Surname, first name, any other initials or middle name identifier or company name or name of account holder
Account number	Unique number for this account
Product type	Type of product or service - instant access/term
Account holder indicator	This field applies to joint or multiple accounts. It must identify whether the customer is the primary account holder or secondary account holder (or other such status)
Account status code	Active accounts only to be included
Account balance in the original currency	Account balance including any interest or premium attributable, at end of business on:

Field identifier	Field descriptor
	(a) the <i>compensation date</i> ; or (b) the date of request from the <i>FSCS</i> or the <i>PRA</i>
Aggregate balance	
<i>Single customer view</i> record number	Unique customer identifier
Aggregate balance across all accounts in sterling	Account balance including any interest or premium attributable, at end of business on: (a) the <i>compensation date</i> ; or (b) the date of request from the <i>PRA</i> or <i>FSCS</i>
Compensatable amount	The amount to be compensated subject to the limit check that must be performed by the <i>firm</i> under 50.6(2) (this could be lower than the aggregate balance across all accounts if this exceeds the coverage level provided for in 4.2.

50.12 Where a *depositor* holds more than one account, the section in the *single customer view* which sets out “Details of account(s)” must be completed for each account held.

50.13 The amount inserted into the *single customer view* as the account balance and aggregate balance across all accounts must be the total of the principal plus any interest or premium attributable up to the *compensation date* (or in the absence of a *compensation date*, the date on which the *FSCS* or *PRA* makes a request to the *firm* to provide the *single customer view*).

50.14 If the account is a structured deposit account where the return cannot be calculated until the maturity date because the return is based on growth of an index as determined at a future date, the figure inserted into the *single customer view* as the account balance must be the total of the principal, any attributable contractual minimum return and any interest accrued prior to the product start date.

50.15 A *firm* must take reasonable steps to ensure the accuracy of the data it holds to satisfy the requirements of this Chapter.

51 TRANSITIONAL PROVISIONS – SINGLE CUSTOMER VIEW EFFECTIVENESS REPORT

51.1 This Chapter does not apply in relation to an *eligible deposit*.

- (1) of a *large company*;
- (2) contained in an account that is *not active*; or
- (3) contained in an account that holds funds to which a *depositor* is not absolutely entitled.

51.2 In this Chapter, the following definitions shall apply:

large company

means a *body corporate* which does not qualify as a small company under section 382 of the Companies Act 2006

SCV effectiveness report

means a report from a *firm's governing body* confirming that the *firm's* systems satisfy the requirements in Chapter 50 with respect to *single customer views* and containing the information required by 51.7.

single customer view

means a single, consistent view of a *depositor's* aggregate *eligible deposits* with a *firm* which contains the information required by 50.11;

51.3 A *firm* must provide the *PRA* with an *SCV effectiveness report* within three months of receiving a *Part 4A permission to accept deposits*.

51.4 A *firm* must notify the *PRA* and *FSCS* of a material change in the *firm's* systems to satisfy the requirements in Chapter 50 with respect to *single customer views*, within 3 months of the change.

51.5 The notification in 51.4 must be accompanied by a statement signed on behalf of the *firm's governing body* confirming that the *firm's* systems satisfy the requirements in Chapter 50 with respect to *single customer views*.

51.6 A *firm* must provide a *SCV effectiveness report* to the *PRA* or *FSCS* promptly upon request by the *PRA* or *FSCS*.

51.7 A *firm's SCV effectiveness report* must contain, to the extent applicable:

- (1) a description of:
 - (a) the *firm's* systems to satisfy the requirements in Chapter 50 with respect to *single customer views* and how they have been implemented (the *firm's* systems include any manual systems used by the *firm* and any code or keys used internally by the *firm* so that the *FSCS* can easily identify *eligible deposits* and accounts which are held on behalf of beneficiaries and which contain or may contain *eligible deposits*);
 - (b) how the *firm* proposes to transfer to the *PRA* or *FSCS* a *single customer view* for each *depositor* with *eligible deposits* including specifying the transfer method and format;
 - (c) the testing undertaken with respect to the robustness of the *firm's* systems (including information on preparation of the *single customer views* in stressed scenarios, frequency of testing and where relevant, reconciliation with core systems);
 - (d) the number of *single customer views*;
 - (e) the *firm's* plan for the ongoing maintenance of its systems;
 - (f) how the *firm's governing body* will ensure that they remain satisfied that the *firm's* systems continue to satisfy the requirements in Chapter 50 with respect to *single customer views*;
 - (g) how the check facility required by 50.6(2) is applied;

- (h) any other factors relevant to the design of the *firm's* systems or to an assessment of whether the systems satisfy the requirements in Chapter 50 with respect to *single customer views*;
 - (i) any dependencies in creating the *single customer views* (such as reliance on group systems); and
 - (j) the procedures and controls that a *firm* has in place regarding the production of the *single customer views* (such as secure storage and an indication of how key person dependencies are managed);
- (2) a statement signed on behalf of the *firm's governing body* confirming that the *firm* satisfies the requirements in Chapter 50 with respect to *single customer views*;
 - (3) the date when the *firm's* systems last produced:
 - (a) a *single customer view* for each *depositor*; and
 - (b) a sample of *single customer views* and the sample size;
 - (4) a statement of whether the *firm's SCV effectiveness report* has been reviewed by external auditors, and if so, a statement of the findings of that review; and
 - (5) a statement of whether there has been a material change to the systems since the date of the *firm's previous SCV effectiveness report*.

51.8 A *firm* to which 50.5 and 50.6 applies must provide the *FSCS* with a representative sample of 10% of its *single customer views* or 10,000 of its *single customer views* (whichever is the smaller number) within three months of receiving a *Part 4A permission to accept deposits*.

51.9 The representative sample must include all types of account which contain *eligible deposits* (where the *firm* operates under more than one trading name the sample must include all types of account which contain *eligible deposits* for each trading name).

51.10 The *FSCS* must advise the *PRA*, within six months of receiving the information required by 51.6 whether the information provided by the *firm's* systems to satisfy the requirements in Chapter 50 with respect to *single customer views* is suitable to be submitted to the *FSCS* and is compatible with the *FSCS's* systems.

52 TRANSITIONAL PROVISIONS – CLASS A TARIFF BASE CALCULATION

52.1 In this Chapter, the following definition shall apply:

large company

means a *body corporate* which does not qualify as a small company under section 382 of the Companies Act 2006

52.2 Until 1 December 2016:

- (1) the *class A tariff base* in 43.1 excludes from *covered deposits* any *eligible deposit* of a *large company*; and
- (2) in 43.2, the reference to *single customer view* is a reference to a *single customer view* compiled in accordance with the requirements in Chapter 50 and which contains the

information set out in 50.11 and the definitions of *single customer view* and *SCV requirements* in 1.4 are modified accordingly.

53 TRANSITIONAL PROVISIONS – APPLICATION OF COMP

53.1 In this Chapter the following definitions shall apply:

COMP

means the Compensation Sourcebook of the *PRA Handbook* in force immediately before 3 July 2015

relevant person

has the definition in the *Glossary* in force immediately before 3 July 2015

in default

has the definition in the *Glossary* in force immediately before 3 July 2015

protected deposit

has the definition in the *Glossary* in force immediately before 3 July 2015

claim

has the definition in the *Glossary* in force immediately before 3 July 2015

53.2 The rules in COMP *continue to apply to the FSCS in relation to a protected deposit claim in respect of a relevant person in default before 3 July 2015.*

ANNEX 1

INFORMATION SHEET (CHAPTER 16)

Basic information about the protection of your eligible deposits	
Eligible deposits in [insert name of <i>firm</i>] are protected by:	the Financial Services Compensation Scheme ("FSCS") ¹
Limit of protection:	£85,000 per depositor per bank / building society / credit union ² [where applicable]The following trading names are part of your bank / building society / credit union: [insert all trading names which operate under the same licence]
If you have more eligible deposits at the same bank / building society / credit union:	All your eligible deposits at the same bank / building society / credit union are "aggregated" and the total is subject to the limit of £85,000. ²
If you have a joint account with other person(s):	The limit of £85,000 applies to each depositor separately. ³
Reimbursement period in case of bank, building society or credit union's failure:	20 working days ⁴
Currency of reimbursement:	Pound sterling (GBP, £) or, for branches of UK banks operating in other EEA Member States, the currency of that State.
To contact [insert name of <i>firm</i>] for enquiries relating to your account:	[insert name of <i>firm</i> and contact details]
To contact the FSCS for further information on compensation:	Financial Services Compensation Scheme 10th Floor Beaufort House 15 St Botolph Street London EC3A 7QU Tel: 0800 678 1100 or 020 7741 4100 Email: ICT@fscs.org.uk
More information:	http://www.fscs.org.uk
Acknowledgement of receipt by the depositor:	

Additional information (all or some of the below)

¹Scheme responsible for the protection of your eligible deposit

Your eligible deposit is covered by a statutory Deposit Guarantee Scheme. If insolvency of your bank, building society or credit union should occur, your eligible deposits would be repaid up to £85,000 by the Deposit Guarantee Scheme.

²General limit of protection

If a covered deposit is unavailable because a bank, building society or credit union is unable to meet its financial obligations, depositors are repaid by a Deposit Guarantee Scheme. This repayment covers at maximum £85,000 per bank, building society or credit union. This means that all eligible deposits at the same bank, building society or credit union are added up in order to determine the coverage level. If, for instance a depositor holds a savings account with £80,000 and a current account with £20,000, he or she will only be repaid £85,000.

[only where applicable] This method will also be applied if a bank, building society or credit union operates under different trading names. [insert name of the account holding bank, building society or credit union] also trades under [insert all other trading names of the same bank, building society or credit union]. This means that all eligible deposits with one or more of these trading names are in total covered up to £85,000.

In some cases eligible deposits which are categorised as “temporary high balances” are protected above £85,000 for six months after the amount has been credited or from the moment when such eligible deposits become legally transferable. These are eligible deposits connected with certain events including:

- (a) certain transactions relating to the depositor’s current or prospective only or main residence or dwelling;
- (b) a death, or the depositor’s marriage or civil partnership, divorce, retirement, dismissal, redundancy or invalidity;
- (c) the payment to the depositor of insurance benefits or compensation for criminal injuries or wrongful conviction.

More information can be obtained under <http://www.fscs.org.uk>

³Limit of protection for joint accounts

In case of joint accounts, the limit of £85,000 applies to each depositor.

However, eligible deposits in an account to which two or more persons are entitled as members of a business partnership, association or grouping of a similar nature, without legal personality, are aggregated and treated as if made by a single depositor for the purpose of calculating the limit of £85,000.

⁴Reimbursement

The responsible Deposit Guarantee Scheme is the Financial Services Compensation Scheme, 10th Floor Beaufort House, 15 St Botolph Street, London, EC3A 7QU, Tel: 0800 678 1100 or 020 7741 4100, Email: ICT@fscs.org.uk. It will repay your eligible deposits (up to £85,000) within 20 working days until 31 December 2018; within 15 working days from 1 January 2019 until 31 December 2020; within 10 working days from 1 January 2021 to 31 December 2023; and within 7 working days from 1 January 2024 onwards, save where specific exceptions apply.

Where the FSCS cannot make the repayable amount available within 7 working days, it will, from 1 June 2016 until 31 December 2023, ensure that you have access to an appropriate amount of your covered deposits to cover the cost of living (in the case of a depositor which is an individual) or to

cover necessary business expenses (in the case of a depositor which is not an individual or a large company) within 5 working days of a request. Again, there are specific exceptions to this obligation.

In the case of a depositor which is a large company, where the FSCS cannot make the repayable amount available within 7 working days, it will, from 3 July 2015 until 1 December 2016, ensure that you have access to your covered deposits within fifteen working days of a request containing sufficient information to enable it to make a payment, save where specific exceptions apply.

If you have not been repaid within these deadlines, you should contact the Deposit Guarantee Scheme since the time to claim reimbursement may be barred after a certain time limit. Further information can be obtained under <http://www.fscs.org.uk>.

Other important information

In general, all retail depositors and businesses are covered by Deposit Guarantee Schemes. Exceptions for certain deposits are stated on the website of the responsible Deposit Guarantee Scheme. Your bank, building society or credit union will also inform you of any exclusions from protection which may apply. If deposits are eligible, the bank, building society or credit union shall also confirm this on the statement of account.

ANNEX 2

CONTENT OF COMPENSATION STICKER AND POSTER (CHAPTER 23)

1	The compensation stickers must contain the following statements only:
	<p><i>UK banks</i></p> <p><i>building societies</i></p> <p><i>credit unions</i></p> <p><i>Northern Ireland credit unions</i></p> <p>An overseas firm that:</p> <p>(a) is not an <i>incoming firm</i>; and</p> <p>(b) has a <i>Part 4A permission</i> that includes <i>accepting deposits</i></p>
(1)	<p>"Your eligible deposits with [insert name of firm] are protected up to a total of £85,000 by the Financial Services Compensation Scheme, the UK's deposit guarantee scheme. Any deposits you hold above the £85,000 limit are unlikely to be covered. Please ask/click here [delete as appropriate] for further information or visit www.fscs.org.uk."</p> <p>As an alternative, for <i>credit unions</i> or <i>Northern Ireland credit unions</i> that <i>accept deposits</i> under a single brand or trading name:</p> <p>"Your eligible deposits are protected up to a total of £85,000 by the Financial Services Compensation Scheme, the UK's deposit guarantee scheme. Any deposits you hold above the £85,000 limit are unlikely to be covered. Please ask/click here [delete as appropriate] for further information or visit www.fscs.org.uk."</p>
	Incoming firm that is a <i>credit institution</i>
(2)	<p>"Your eligible deposits with [insert name of firm] are protected up to a total of [insert 100,000 euro or home state equivalent] by [insert name of compensation scheme] the [insert home state of compensation scheme] deposit guarantee scheme and are not protected by the UK Financial Services Compensation Scheme. Any deposits you hold above the [insert 100,000 euro or home state equivalent] limit are unlikely to be covered. Please ask/click here [delete as appropriate] for further information or visit [insert website address of scheme]."</p>
2	The compensation posters must contain the following statements only:
	<p><i>UK banks</i></p> <p><i>building societies</i></p>

<p>credit unions</p> <p>Northern Ireland credit unions</p> <p>An overseas firm that:</p> <p>(a) is not an <i>incoming firm</i>; and</p> <p>(b) has a Part 4A permission that includes accepting deposits</p>	
(1)	<p><i>Firms that accept deposits</i> under a single brand or trading name</p> <p>"Your eligible deposits with [insert name of firm] are protected up to a total of £85,000 by the Financial Services Compensation Scheme, the UK's deposit guarantee scheme. Any deposits you hold above the £85,000 limit are unlikely to be covered. Please ask/click here [delete as appropriate] for further information or visit www.fscs.org.uk"</p> <p>As an alternative, for <i>credit unions</i> or <i>Northern Ireland credit unions</i> that <i>accept deposits</i> under a single brand or trading name: "Your eligible deposits are protected up to a total of £85,000 by the Financial Services Compensation Scheme, the UK's deposit guarantee scheme. Any deposits you hold above the £85,000 limit are unlikely to be covered. Please ask/click here [delete as appropriate] for further information or visit www.fscs.org.uk"</p>
(2)	<p><i>Firms that accept deposits</i> under multiple brands or trading names</p> <p>"Your eligible deposits with [insert name of firm] are protected up to a total of £85,000 by the Financial Services Compensation Scheme, the UK's deposit guarantee scheme. This limit is applied to the total of any deposits you have with the following: [insert names of brands as appropriate]. Any total deposits you hold above the £85,000 limit between these brands are unlikely to be covered. Please ask/click here [delete as appropriate] for further information or visit www.fscs.org.uk"</p>
<p>Incoming firm that is a credit institution</p>	
(3)	<p><i>Incoming firm</i> that is a <i>credit institution</i> and <i>accepts deposits</i> under a single brand or trading name</p> <p>"Your eligible deposits with [insert name of firm] are protected up to a total of [insert 100,000 euro or home state equivalent] by [insert name of compensation scheme] the [insert home state of compensation scheme] deposit guarantee scheme and are not protected by the UK Financial Services Compensation Scheme. Any deposits you hold above the [insert 100,000 euro or home state equivalent] limit are unlikely to be covered. Please ask/click here [delete as appropriate] for further information or visit [insert website address of scheme]."</p>
(4)	<p><i>Incoming firm</i> that <i>accepts deposits</i> under multiple brands or trading names</p>

	<p>"Your eligible deposits with [insert name of firm] are protected up to a total of [insert 100,000 euro or home state equivalent] by [insert name of compensation scheme] the [insert home state of compensation scheme] deposit guarantee scheme and are not protected by the UK Financial Services Compensation Scheme. This limit is applied to the total of any deposits you have with the following: [insert names of brands as appropriate]. Any total deposits above the [insert 100,000 euro or home state equivalent] limit are unlikely to be covered. Please ask/click here [delete as appropriate] for further information or visit [insert website address of scheme]."</p>
3	Each of the statements in 1 and 2 must appear as written with the first and second statements on separate lines. The second statement must appear in smaller font.

ANNEX 3

EXCLUSIONS LIST (CHAPTER 16)

A deposit is excluded from protection if:

- (1) The holder and any beneficial owner of the deposit have never been identified in accordance with money laundering requirements. For further information, contact your bank, bank building society or credit union.
- (2) The deposit arises out of transactions in connection with which there has been a criminal conviction for money laundering.
- (3) It is a deposit made by a depositor which is one of the following:
 - credit institution
 - financial institution
 - investment firm
 - insurance undertaking
 - reinsurance undertaking
 - collective investment undertaking
 - pension or retirement fund¹
 - public authority

For further information about exclusions, refer to the FSCS website at www.FSCS.org.uk

¹ Deposits by personal pension schemes, stakeholder pension schemes and occupational pension schemes of micro, small and medium sized enterprises are not excluded