

PRA RULEBOOK: CRR FIRMS, NON CRR FIRMS, NON-AUTHORISED PERSONS: DEPOSITOR PROTECTION (COVERAGE LEVEL) INSTRUMENT 2017

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); and
 - (5) 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 (Coverage Level) Instrument 2017

- D. The PRA makes the rules in Annexes A and B to this instrument.

Commencement

- E. The rules in Annex A come into force on 30 January 2017.
- F. The rules in Annex B come into force on 1 July 2017.

Citation

- G. This instrument may be cited as the PRA Rulebook: CRR Firms, Non-CRR Firms, Non-Authorised Persons: Depositor Protection (Coverage Level) Instrument 2017.

By order of the Board of the Prudential Regulation Authority

12 January 2017

Annex A

In this Annex, deleted text is struck through and new text is underlined.

Part

DEPOSITOR PROTECTION

Chapter content

...

58. TRANSITIONAL PROVISIONS – COVERAGE LEVEL

4 LIMITS ON COMPENSATION PAYABLE

...

4.2 The maximum compensation sum payable for the aggregate *eligible deposits* of each *depositor* is ~~£75,000~~ £85,000, save that additional compensation may be payable in cases to which 4.3 applies.

...

12 SINGLE CUSTOMER VIEW REQUIREMENTS

12.A1 This Chapter applies subject to Chapter 58.

12.A2 In this Chapter:

covered deposit

means the part of an eligible deposit that does not exceed £75,000.

transferable eligible deposit

means the portion of an *eligible deposit* up to and including £75,000, identified in accordance with Chapter 13 and 12.9.

...

12.7 A *firm* must ensure that its *SCV system*:

(1) ...

(2) includes a facility which identifies any portion of an *eligible deposit* that is over ~~the coverage level provided for in 4.2~~ £75,000.

...

12.9 A *firm* must ensure that each *single customer view* and *exclusions view* contains all the information set out in the table below.

...

51.	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 <u>£75,000</u>). 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
-----	----------------------------------	--	--

13 BRRD MARKING AND CONTINUITY OF ACCESS

13.A1 This Chapter applies subject to Chapter 58.

13.A2 In this Chapter:

transferable eligible deposit

means the portion of an *eligible deposit* up to and including £75,000, identified in accordance with Chapter 13 and 12.9.

16 FIRMS' DISCLOSURE OBLIGATIONS – INFORMATION AND EXCLUSIONS

16.A1 This Chapter applies subject to Chapter 58.

17 FIRMS' DISCLOSURE OBLIGATIONS – STATEMENTS OF ACCOUNT

17.A1 This Chapter applies subject to Chapter 58.

18 REFERENCES TO THE DEPOSIT GUARANTEE SCHEME IN ADVERTISING

18.A1 This Chapter applies subject to Chapter 58.

23 DEPOSIT COMPENSATION INFORMATION – BRANCHES AND WEBSITES

23.A1 This Chapter applies subject to Chapter 58.

58 TRANSITIONAL PROVISIONS – COVERAGE LEVEL

58.1 This Chapter applies with effect from 30 January 2017 and is deleted with effect from 1 July 2017.

58.2 This Chapter does not apply to the FSCS.

58.3 In this Chapter:

SCV, continuity of access and information rule amendments

means the amendment of this Part so as to:

- (1) omit 12.A1, 12.A2, 13.A1, 13.A2, 16.A1, 17.A1, 18.A1 and 23.A1; and
- (2) replace references to “£75,000” in Chapter 12, Annex 1 (Information Sheet (Chapter 16)) and Annex 2 (Content of Compensation Stickers and Posters (Chapter 23)) with references to “£85,000”.

58.4 A firm shall, as soon as practicable after 30 January 2017 and in any event on or before 30 June 2017, comply with this Part as if the SCV, continuity of access and information rule amendments had been made.

Annex B

In this Annex, deleted text is struck through and new text is underlined.

Part

DEPOSITOR PROTECTION

Chapter content

...

~~58. TRANSITIONAL PROVISIONS – COVERAGE LEVEL REPORT~~

12 SINGLE CUSTOMER VIEW REQUIREMENTS

~~12.A1~~ This Chapter applies subject to Chapter 58

~~12.A2~~ In this Chapter:

~~*covered deposit*~~

~~means the part of an eligible deposit that does not exceed £75,000.~~

~~*transferable eligible deposit*~~

~~means the portion of an eligible deposit up to and including £75,000, identified in accordance with Chapter 13 and 12.9.~~

...

12.7 A firm must ensure that its SCV system:

(1) ...

(2) includes a facility which identifies any portion of an *eligible deposit* that is over ~~£75,000~~ the coverage level provided for in 4.2.

...

12.9 A firm must ensure that each *single customer view* and *exclusions view* contains all the information set out in the table below.

...

51.	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 £75,000 <u>the coverage level provided for in 4.2.</u> 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
-----	----------------------------------	--	--

13 BRRD MARKING AND CONTINUITY OF ACCESS

~~13.A1~~ This Chapter applies subject to Chapter 58.

~~13.A2~~ In this Chapter:

~~transferable eligible deposit~~

~~means the portion of an *eligible deposit* up to and including £75,000, identified in accordance with Chapter 13 and 12.9.~~

...

16 FIRMS' DISCLOSURE OBLIGATIONS – INFORMATION AND EXCLUSIONS

~~16.A1—This Chapter applies subject to Chapter 58.~~

17 FIRMS' DISCLOSURE OBLIGATIONS – STATEMENTS OF ACCOUNT

~~17.A1—This Chapter applies subject to Chapter 58.~~

18 REFERENCES TO THE DEPOSIT GUARANTEE SCHEME IN ADVERTISING

~~18.A1—This Chapter applies subject to Chapter 58.~~

23 DEPOSIT COMPENSATION INFORMATION – BRANCHES AND WEBSITES

~~23.A1—This Chapter applies subject to Chapter 58.~~

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:	£75,000 £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 £75,000 £85,000. ²
If you have a joint account with other person(s):	The limit of £75,000 £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 ~~£75,000~~ £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 a maximum of £75,000~~ £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 ~~£75,000~~ £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 ~~£75,000~~ £85,000.

In some cases eligible deposits which are categorised as "temporary high balances" are protected above ~~£75,000~~ £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 ~~£75,000~~ £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 ~~£75,000~~ £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 ~~£75,000~~ £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 or operating 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.~~

~~In the case of a depositor which is a small local authority, where the FSCS cannot make the repayable amount available within 7 working days, it will, from 3 July 2015 until 1 June 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>UK banks</p> <p>building societies</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 <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 £75,000 <u>£85,000</u> by the Financial Services Compensation Scheme, the UK's deposit guarantee scheme. Any deposits you hold above the 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 £75,000 <u>£85,000</u> by the Financial Services Compensation Scheme, the UK's deposit guarantee scheme. Any deposits you hold above the 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>UK banks</p> <p>building societies</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 under a single brand or trading name</i></p> <p>"Your eligible deposits with [insert name of firm] are protected up to a total of £75,000 <u>£85,000</u> by the Financial Services Compensation Scheme, the UK's deposit guarantee scheme. Any deposits you hold above the 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 £75,000 <u>£85,000</u> by the Financial Services Compensation Scheme, the UK's deposit guarantee scheme. Any deposits you hold above the 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 under multiple brands or trading names</i></p> <p>"Your eligible deposits with [insert name of firm] are protected up to a total of £75,000 <u>£85,000</u> 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 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 that is a credit institution and accepts deposits under a single brand or trading name</i></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 that accepts deposits under multiple brands or trading names</i></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.