

FINANCIAL SERVICES COMPENSATION SCHEME

The Financial Services Compensation Scheme (FSCS) covers deposits and certain eligible investments business conducted by firms authorised by the UK regulators, the Financial Conduct Authority (FCA) and the Prudential Regulatory Authority (PRA).

1. For **deposits**, FSCS may pay compensation up to the current total limit of £85,000 once per eligible person and £170,000 for joint accounts. All your eligible deposits at the same bank/building society/credit union are aggregated and subject to the limit of £85,000 per depositor. This limit applies for claims after 1st January 2017.

In some cases, there may be certain eligible deposits which are categorised as 'temporary high balances' and 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.

There are certain exclusions and 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.
- (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 fund (unless they are deposits by personal pension schemes, stakeholder pension schemes and occupational pension schemes of micro, small and medium, sized enterprises)
 - public authority, other than a small local authority

More information is available directly from the FSCS at <http://www.fscs.org.uk>.

2. For **eligible investments**, FSCS may pay compensation up to the current total limit of £85,000 per eligible person per firm (for claims against firms declared in default after 1 April 2019). The FSCS uses various criteria to assess eligibility. As a general rule,

- Your small business, limited company or charity will need to meet certain eligibility criteria to claim compensation with FSCS, which is assessed on a case-by-case basis and it varies for different types of claim.
- Your firm must qualify as a 'small company' under section 382 of the Companies Act 2006. There are three criteria in the test - annual turnover, balance sheet and number of employees - and your firm must meet two of the three criteria to qualify as 'small'.
- In addition, the FSCS uses the FCA's [Compensation Sourcebook](#) (including COMP 4) to assess if your firm is eligible to claim compensation with us.

Further independent information is available directly from the FSCS at <http://www.fscs.org.uk>.

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