

The Financial Services Compensation Scheme (FSCS)

The Financial Services Compensation Scheme (“FSCS”) is the UK’s statutory deposit insurance and investors’ compensation scheme for customers of authorised financial services firms. This means that FSCS may pay compensation if a firm is unable, or likely to be unable, to pay claims against it. The Financial Services Compensation Scheme (FSCS) exists to provide protection for eligible customers when a financial services firm fails. It is funded by the financial services industry and eligible customers can claim directly through FSCS without any charge.

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

The information below is relevant to deposit and investment products held with Bank of Scotland plc

Different provisions and exclusions may apply to other areas of Bank of Scotland plc for deposits:

1. For eligible deposits:

FSCS protection may apply for eligible deposits held by banks, building societies and credit unions that fail. This protection is limited to a maximum of £85,000 for each eligible person, per bank, building society or credit union or £170,000 for joint accounts on a per banking license basis. This means that if you have deposits with several Banks, Building Societies or Credit Unions that share a banking license, you will only be protected up to the maximum of £85,000 or, for joint accounts, £170,000. Lloyds Bank, Bank of Scotland and Lloyds Bank Corporate Markets each have separate banking licenses.

In some cases, there may be certain eligible deposits which are categorised as ‘temporary high balances’ (such as proceeds from private property sale) 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.

Under some circumstances there are exclusions to these provisions that means they are not covered by the scheme including but not limited to:

1. when the holder and any beneficial owner of the deposit have not been identified in accordance with Money Laundry requirements.
2. the deposit arises out of transactions arising from where there has been a criminal conviction for Money Laundering.
3. 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, other than a small local authority.
4. a deposit from a credit union to which the credit union itself is entitled.
 5. generally, deposits held outside the UK are not protected by the FSCS
 6. a deposit from a collective investment scheme which qualifies as a small company.²
 7. a deposit from an overseas financial services institution which qualifies as a small company³
 8. a deposit from certain regulated firms (investment firms, insurance undertakings and reinsurance undertakings) which does not qualify as a small business or a small company criteria⁴
 9. where a deposit is not held by an establishment of a bank, building society or credit union in the UK or, in the case of a bank or building society incorporated in the UK, it is not held by an establishment in Gibraltar.

2. For investments:

The FSCS may, where advice has been provided, pay compensation to customers of authorised firms for certain investment businesses. Bank of Scotland plc does not provide advice in respect of investment business.

Further information about the scheme (including eligibility to claim) can be obtained from our website and the FSCS via its website: www.FSCS.org.uk or by calling the FSCS on 020 7741 4100 or 0800 678 1100.

Bank of Scotland is a trading name of Bank of Scotland plc, which is a subsidiary of Lloyds Banking Group plc. Bank of Scotland plc's registered office is at The Mound, Edinburgh EH1 1YZ, and it is registered in Scotland under no.SC327000. Bank of Scotland plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under registration number 169628

DIS.G.D2 (09/24)

¹ As listed in Part I of Schedule 2 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, read with Part 2 of that Schedule.

² Under the Companies Act 1985 or Companies Act 2006.

³ See footnote 2.

⁴ See footnote 2