

## **IMPORTANT INFORMATION REGARDING THE FINANCIAL SERVICES COMPENSATION SCHEME Protecting Your Money**

**On 1 January 2016 the deposit protection limit is changing from £85,000 to £75,000.**

If your bank, building society or credit union fails, the Financial Services Compensation Scheme (FSCS) protects your eligible deposits up to the deposit protection limit (currently £85,000 for most depositors).<sup>1</sup>

**If you have eligible deposits of more than £75,000, you are unlikely to be fully protected after 1 January 2016 so you may need to take action if you wish to remain fully covered by the FSCS.**

From 1 January 2016, your eligible deposits with The Co-operative Credit Union Ltd will be protected up to a total of £75,000 by the FSCS. (The limit is applied to the total of your eligible deposits held with The Co-operative Credit Union).

If you have total eligible deposits of less than £75,000 with The Co-operative Credit Union, then you will not be affected by the limit change.

Further information regarding the protection provided by FSCS is set out below.

### **General limit of protection**

Your eligible deposits held at the same bank, building society or credit union are added up in order to determine the coverage level. If, for instance, you hold eligible deposits in a savings account with £70,000 and a current account with £20,000, you will only be repaid £75,000 (or £85,000 for most depositors until 31 December 2015).

From 3 July 2015 until 31 December 2015:

The FSCS protects most depositors, including individuals and small companies, up to £85,000 until 31 December 2015.

Eligible deposits of large companies<sup>2</sup> and small local authorities<sup>3</sup> are eligible for FSCS protection from 3 July 2015 onwards. The £75,000 deposit protection limit will apply from 3 July 2015 since these deposits have not previously been protected.

From 1 January 2016:

From 1 January 2016, the FSCS will protect most eligible deposits up to a total of £75,000. Any deposits you hold above the limit are unlikely to be covered.

### **Temporary high balances**

In some cases, an eligible deposit which is categorised as “a “temporary high balance” (for example, as a result of a house sale, inheritance, or insurance payment) may be protected to a higher limit for six months after the amount has been credited to your account or from the moment when such eligible deposits become legally transferable. This applies from 3 July 2015. See the FSCS website for full details.

### **Exclusions from protection**

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.

---

<sup>1</sup> Exceptions for certain deposits are stated below and on the FSCS's website: <http://www.fscs.org.uk>.

<sup>2</sup> Large company means a body corporate which does not qualify as a small company under section 382 of the Companies Act 2006

<sup>3</sup> Small local authority means a local authority with an annual budget of up to EUR 500,000

(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:

- a. credit institution
- b. financial institution
- c. investment firm
- d. insurance undertaking
- e. reinsurance undertaking
- f. collective investment undertaking
- g. pension or retirement fund<sup>4</sup>
- h. public authority, other than a small local authority.

The following deposits, categories of deposits or other instruments are no longer protected from 3 July 2015:

- i. deposits of a credit union to which the credit union itself is entitled
- j. deposits which can only be proven by a financial instrument<sup>5</sup> 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)
- k. deposits of a collective investment scheme which qualifies as a small company<sup>6</sup>
- l. deposits of an overseas financial services institution which qualifies as a small company<sup>7</sup>
- m. deposits of certain regulated firms (investment firms, insurance undertakings and reinsurance undertakings) which qualify as a small business or a small company<sup>8</sup> – refer to the FSCS for further information on this category.

## Reimbursement

The FSCS aims to repay your eligible deposits (up to the compensation limit) within 7 days, and is required to do so within 20 working days (with some exceptions).

## Contact

If you have any questions regarding the change in the compensation limit, please contact the Financial Services Compensation Scheme (FSCS) at:

Address: FSCS,  
10<sup>th</sup> Floor Beaufort House,  
15 St Botolph Street,  
London,  
EC3A 7QU

Tel: 0800 678 1100

Email: [ICT@fscs.org.uk](mailto:ICT@fscs.org.uk)

Web: <http://www.fscs.org.uk>.

---

<sup>4</sup> Deposits by personal pension schemes, stakeholder pension schemes and occupational pension schemes of micro, small and medium sized enterprises are not excluded

<sup>5</sup> Listed in Section C of Annex 1 of Directive 2014/65/EU

<sup>6</sup> Under the Companies Act 1985 or Companies Act 2006

<sup>7</sup> See footnote above

<sup>8</sup> See footnote above