

Compensation

Chapter 2

The FSCS

2.2 Duties of the FSCS

Administering the compensation scheme

2.2.1 **R** The *FSCS* must administer the *compensation scheme* in accordance with the *rules* in this sourcebook and any other rules prescribed by law to ensure that the *compensation scheme* is administered in a manner that is procedurally fair and in accordance with the European Convention on Human Rights.

2.2.2 **G** The *FSCS* may:

- (1) pay compensation to *eligible claimants* when a *relevant person* (or, where applicable, a *successor*) is unable or likely to be unable to meet *claims* against it in accordance with this sourcebook; and
- (2) make levies on *participant firms*, in accordance with **FEES 6** (Financial Services Compensation Scheme Funding), to enable it to pay compensation or meet the costs of discharging its functions under this sourcebook.

Information for claimants

2.2.3 **R** The *FSCS* must publish information for claimants and potential claimants on the operation of the *compensation scheme*.

Assistance to claimants

2.2.4 **R** The *FSCS* may agree to pay the reasonable costs of an *eligible claimant* bringing or continuing insolvency proceedings against a *relevant person* or, where applicable, a *successor* (whether those proceedings began before or after a determination of default), if the *FSCS* is satisfied that those proceedings would help it to discharge its functions under the requirements of this sourcebook.

Annual Report

2.2.5 **G** The *FSCS* must make and publish an annual report on the discharge of its functions (section 218 of the *Act* (Annual report)).

Finance and resources

2.2.6 **R** The *FSCS* must have regard to the need to use its resources in the most efficient and economic way in carrying out its functions under the requirements of this sourcebook.

Publication of defaults

2.2.7 **R** The FSCS must take appropriate steps to ensure that potential claimants are informed of how they can make a *claim* for compensation as soon as possible after a determination has been made that a *relevant person* (or, where applicable, a *successor*) is *in default*, whether by the FSCS or the FCA.

Complaints

2.2.8 **R** The FSCS must put in place and publish procedures which satisfy the minimum requirements of procedural fairness and comply with the European Convention on Humans Rights for the handling of any complaints of maladministration relating to any aspect of the operation of the *compensation scheme*.

Informing the FSCS

2.2.9 **G** The FCA will inform the FSCS if it detects problems in a *firm* that is likely to give rise to the intervention of the FSCS.

2.2.10 **R** [deleted]