

## Chapter 9

# Time limits on payment and postponing payment

## 9.2 When must compensation be paid?

9.2.1 **R** [deleted]

9.2.1A **R** [deleted]

9.2.1B **R** The *FSCS* must pay a *claim* as soon as reasonably possible after:

- (1) it is satisfied that the conditions in **COMP 3.2.1 R** have been met; and
- (2) it has calculated the amount of compensation due to the claimant;  
and in any event within:
- (3) three months of that date, unless the *FCA* has granted the *FSCS* an extension, in which case payment must be made no later than six months from that date.

9.2.2 **R** The *FSCS* may postpone paying compensation if:

- (1) in the case of a *claim* against a *relevant person* who is an *appointed representative*, the *FSCS* considers that the claimant should make and pursue an application for compensation against the *appointed representative's* relevant *principal*; or
- (2) in the case of a *claim* relating to *protected investment business* which is not an *ICD claim*, a *claim* relating to *protected home finance mediation*, a *claim* relating to *protected non-investment insurance distribution*, a *claim* relating to *protected debt management business* or a *claim* relating to *protected funeral plan business*, the *FSCS* considers that the claimant should first exhaust their rights against the *relevant person* (or, where applicable, a *successor*) or any third party, or make and pursue an application for compensation to any other *person*; or
- (3) [deleted]
- (4) the *claim* is one which falls within **COMP 12.4.5 R** or **COMP 12.4.7 R** and it is not practicable for payment to be made within the usual time limits laid out in **COMP 9.2.1 R**; or
- (5) the claimant has been charged with an offence arising out of or in relation to *money laundering*, and those proceedings have not yet been concluded; or.

(6) [deleted]

(7) it or an insolvency practitioner appointed to the *relevant person* (or, where applicable, a *successor*) is seeking to secure continuity of the relevant *funeral plan contract*.

### 9.2.3

**R**

Notwithstanding ■ COMP 9.2.2 R(2), the *FSCS* may pay compensation to a claimant in respect of assets held by a *relevant person* (or, where applicable, a *successor*) if an insolvency practitioner has been appointed to the *relevant person* (or, where applicable, a *successor*), and:

- (1) the *FSCS* considers it likely that the insolvency practitioner would, in due course, return the assets to the claimant;
- (2) the claimant has agreed to be compensated for the assets on the basis of the valuation provided by the *FSCS*; and
- (3) the claimant has agreed, to the satisfaction of the *FSCS*, that his rights to the assets in respect of which compensation is payable should pass to it.