

# Appendix 1

## LCF Compensation Scheme

### 1.2 Payments to Her Majesty's Treasury

**App 1.2.1** **G** Where, after the *FSCS* has paid compensation to a *bondholder* under the *LCF Compensation Scheme*, the *FSCS* subsequently determines that the conditions in **COMP 3.2.1R** are satisfied in relation to a *protected claim* against London Capital & Finance plc and/or a third party, the following rule in **COMP 11.2** applies with the modifications shown below (new wording is underlined and deleted wording is struck through):

**COMP 11.2.1AR** If the *FSCS* determines that compensation is payable (~~or any recovery or other amount is payable by the *FSCS* to the claimant~~) to a *bondholder* under the *compensation scheme*, it must pay it to the claimant, or if the *FSCS* so decides, as

~~directed by the claimant, unless *COMP 11.2.2R* or *COMP 11.2.2AR* apply.:~~

- (1) such compensation to Her Majesty's Treasury up to the amount paid to the *bondholder* under the *LCF Compensation Scheme*; and
- (2) any excess after (1), to the *bondholder*, up to the limits on maximum compensation sums payable by the *FSCS* under the *compensation scheme* as set out in *COMP 10.2.3R*.

**Note:** Under Part 15A of the *Act*, Her Majesty's Treasury may, by notice, require the *FSCS* to exercise specified functions in respect of specified claims for compensation under a scheme or arrangement established for the payment of compensation to customers of persons who provide financial services or carry on a business connected with the provision of such services. The *FCA* may by rules make provision in connection with the exercise by the *FSCS* of functions in respect of such a scheme and apply any provision of the *compensation scheme* to it with or without modification. This Appendix sets out the *FCA's* rules, as modified, that

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apply where the *FSCS* exercises its functions in respect of the *LCF Compensation Scheme*.

The *LCF Compensation Scheme* is administered in accordance with the LCF Compensation Scheme Rules. These rules, and more information, are available at <https://www.gov.uk/lcfcompensationscheme>.