

## Chapter 12

# Calculating compensation



## 12.2 Quantification: general

**12.2.1A** **R** The amount of compensation payable to the claimant in respect of any type of *protected claim* is the amount of his overall net *claim* against the *relevant person* (or, where applicable, a *successor*) at the *quantification date* and any reference in *COMP* to overall *claim* means "overall net *claim*".

**12.2.2** **R** ■ COMP 12.2.1AR is, however, subject to the other provisions of *COMP*, in particular those *rules* that set limits on the amount of compensation payable for various types of *protected claim*. The limits are set out in *COMP* 10.

**12.2.3** **G** Where a liability of a *relevant person* (or, where applicable, a *successor*) to an *eligible claimant* could fall within more than one type of claim protected by the *compensation scheme* whether under the *rules* of the *FCA* (see ■ COMP 5.2.1 R) or of the *PRA*, for example a *claim* in connection with *money* held by a *MiFID investment firm* that is also a *credit institution*, the *FSCS* should seek to ensure that the claimant does not receive any further compensation payment from the *FSCS* in cases where the claimant has already received compensation from the *FSCS* in respect of that *claim*.

### Overall net claim

**12.2.4** **R** If the claimant has an *ICD claim* against a *pre-exit incoming EEA firm* which is a *MiFID investment firm* or, where applicable, a *successor* of such a *firm*, and the act or omission giving rise to the *ICD claim* arose before *IP completion day*, the *FSCS* must take account of the liability of the *EEA State compensation scheme* in calculating the compensation payable by the *FSCS*. For the purposes of applying this rule, "*ICD claim*" and "*MiFID investment firm*" have the meaning they had immediately before *IP completion day*.

**12.2.5** **G** For the different categories of *protected claim*, see *COMP* 5 and ■ COMP 10.2.3 R.

**12.2.6** **G** In calculating the claimant's overall *claim*, the *FSCS* may rely, to the extent that it is relevant, on any determination by:

- (1) a court of competent jurisdiction;
- (2) a trustee in bankruptcy;
- (3) a liquidator;

(4) any other recognised insolvency practitioner;

and on the certification of any net sum due which is made in default proceedings of any exchange or clearing house.

**Payments to the claimant**

12.2.7A **R** The FSCS must take into account any payments to the claimant (including amounts recovered by the FSCS on behalf of the claimant) made by the *relevant person* (or, where applicable, a *successor*) or the FSCS or any other *person*, including any payment made by the FSCS under the PRA's rules, if that payment is connected with the *relevant person's* (or, where applicable, a *successor's*) liability to the claimant in calculating the claimant's overall *claim*.

**Time for calculation of compensation due to the claimant**

12.2.8 **R** The FSCS must calculate the amount of compensation due to the claimant as soon as reasonably possible after it is satisfied that the conditions in **COMP 3.2.1 R** have been met.

**Settlement of claims**

12.2.10 **R**

- (1) The FSCS may pay compensation without fully or at all investigating the eligibility of the claimant and/or the validity and/or amount of the *claim* notwithstanding any provision in this sourcebook or **FEES 6** to the contrary, if in the opinion of the FSCS:
  - (a) the costs of investigating the merits of the *claim* are reasonably likely to be disproportionate to the likely benefit of such investigation; and
  - (b) (as a result or otherwise) it is reasonably in the interests of *participant firms* to do so.
- (2) This *rule* does not apply with respect to *claims* that are excluded by article 3 of the *Investor Compensation Directive*.