

**Compensation**

## Chapter 4

### Eligible claimants

## 4.1 Application and Purpose

### Application

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- 4.1.1 **R** This chapter applies to the *FSCS*.
- 4.1.2 **G** It is also relevant to those who may wish to bring a *claim* for compensation.

### Purpose

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- 4.1.3 **G** The purpose of this chapter is to set out the types of *person* who are able to claim compensation or benefit from the protection the *FSCS* is able to provide. A claimant needs to be an *eligible claimant* to satisfy *COMP* 3.2.1R(1).



### 4.2 Who is eligible to benefit from the protection provided by the FSCS?

4.2.1 **R** An *eligible claimant* is any person who at any material time:

- (1) did not come within **COMP 4.2.2 R**; or
- (2) did come within **COMP 4.2.2 R**, but satisfied the relevant exception in **COMP 4.3** or **COMP 4.4**.

**Persons not eligible to claim unless COMP 4.3 applies (see COMP 4.2.1R)**

4.2.2 **R** This table belongs to COMP 4.2.1R

(1)	<i>Firms (other than a sole trader firm; a credit union; a trustee of a stakeholder pension scheme (which is not an occupational pension scheme) or personal pension scheme; a firm carrying on the regulated activity of operating, or winding up, a stakeholder pension scheme (which is not an occupational pension scheme) or personal pension scheme; or a small business; in each case, whose claim arises out of a regulated activity for which they do not have a permission)</i>
(2)	<i>Overseas financial services institutions</i>
(3)	<i>Collective investment schemes, and anyone who is the operator or depositary of such a scheme.</i>
(4)	<b>Pension and retirement funds, and anyone who is a trustee of such a fund. However, this exclusion does not apply to:</b>
	(a) <i>a trustee of a personal pension scheme or a stakeholder pension scheme (which is not an occupational pension scheme); or</i>
	(b) <i>a trustee of an occupational pension scheme insofar as members' benefits are money-purchase benefits; or</i>
	(c) <i>insofar as members' benefits are not money-purchase benefits, a trustee of an occupational pension scheme of an employer which is not a large company, large partnership or large mutual association.</i>
(5)	<b>Supranational institutions, governments, and central administrative authorities</b>
(6)	<b>Provincial, regional, local and municipal authorities</b>
(7)	<b>Directors of the relevant person in default or, in respect of a claim against a successor in default, directors of any successor or directors of the relevant person. However, this exclusion does not apply if:</b>

	(a)	(i)	the <i>relevant person in default</i> is a mutual association which is not a large mutual association and the <i>directors</i> do not receive a salary or other remuneration for services performed by them for the <i>relevant person in default</i> ; or
		(ii)	in respect of a claim against a successor in default, the <i>relevant person</i> or a successor, to whichever the directorship relates, is a mutual association which is not a large mutual association and the <i>directors</i> do not receive a salary or other remuneration for services performed by them for the <i>relevant person</i> or a successor, as applicable; or
	(b)	(i)	the <i>relevant person in default</i> is a credit union; or
		(ii)	in respect of a claim against a successor in default, the <i>relevant person</i> or a successor, to whichever the directorship relates, is a credit union.
(8)	[deleted]		
(9)	Bodies corporate in the same group as the <i>relevant person in default</i> or, in respect of a claim against a successor in default, bodies corporate in the same group as a successor or the <i>relevant person</i> , as applicable, unless that body corporate is:		
	(a)	a trustee of a <i>stakeholder pension scheme</i> (which is not an <i>occupational pension scheme</i> ) or a <i>personal pension scheme</i> (but in each case if the trustee is a <i>firm</i> it will only be an <i>eligible claimant</i> if its <i>claim</i> arises out of a <i>regulated activity</i> for which it does not have a permission); or	
	(aa)	a trustee of:	
		(i)	an <i>occupational pension scheme</i> in relation to members' benefits which are <i>money-purchase benefits</i> ; or
		(ii)	(unless (i) applies) an <i>occupational pension scheme</i> of an employer which is not a <i>large company, large partnership or large mutual association</i> ; or
	(b)	carrying on the <i>regulated activity</i> of operating or winding up a <i>stakeholder pension scheme</i> (which is not an <i>occupational pension scheme</i> ) or <i>personal pension scheme</i> .	
(10)	[deleted]		
(11)	[deleted]		

(12)	<b>Persons who, in the opinion of the FSCS, are responsible for, or have contributed to, the relevant person's (or, where applicable, a successor's) default</b>
(13)	<i>Large companies</i>
(14)	<i>Large partnerships</i>
(15)	<b>Persons whose claim arises from transactions in connection with which they have been convicted of an offence of money laundering.</b>
(16)	[deleted]
(17)	Where the <i>claim</i> is in relation to <i>protected non-investment insurance distribution, bodies corporate, partnerships, mutual associations</i> and unincorporated associations which are not <i>small businesses</i> .
(18)	<i>Alternative investment funds</i> , and anyone who is the <i>AIFM</i> or <i>depository</i> of an <i>alternative investment fund</i> .
(19)	<i>Large mutual associations</i>
(20)	Where the <i>claim</i> is in relation to <i>protected debt management business</i> , any <i>person</i> other than a natural person.

4.2.3

R

[deleted]



**4.3** Exceptions: Circumstances where a person coming within **COMP** 4.2.2R may receive compensation

4.3.1 **R** [deleted]

4.3.2 **R** [deleted]

4.3.3 **R** [deleted]

4.3.4 **R** [deleted]

4.3.5 **R** [deleted]

**Liability subject to compulsory insurance**.....

4.3.6 **R** A person who comes within **COMP** 4.2.2R is eligible to claim compensation in respect of a *liability subject to compulsory insurance* if the *claim* is in connection with *protected non-investment insurance distribution*.

**Protected home finance mediation**

- 4.3.7 **G** There are no exceptions to *COMP 4.2.2R* for *claims* made in connection with *protected home finance mediation*.

**Eligibility to claim in specified circumstances**

- 4.3.8 **R** The *FSCS* may treat a *person* who comes within category (7) or (12) of **COMP 4.2.2 R** as eligible to claim compensation where:
- (1) this is desirable to achieve the efficient performance of any of its functions, including without limitation; to achieve the efficient payment of compensation; and
  - (2) treating these *persons* as eligible to claim compensation would, in the opinion of the *FSCS*, be beneficial to the generality of *eligible claimants* who will be affected by the action in (1).

**Protected investment business**

- 4.3.9 **R** A *person* is eligible to claim compensation for claims made in connection with *protected investment business* if, at the date at which the *relevant person* (or, where applicable, a *successor*) is deemed to be in default, he:
- (1) came within category (14) of **COMP 4.2.2 R** and he does not exceed the limits for a *body corporate* which qualifies as a small company under section 247 of the Companies Act 1985 or section 382 of the Companies Act 2006 as applicable; or
  - (2) came within category (19) of **COMP 4.2.2 R**.



**4.4 Exceptions: Relevant general insurance contracts: mesothelioma claims**

**Application**.....

4.4.1 **R** [deleted]

**Claims for contribution by responsible persons**.....

4.4.2 **R** [deleted]

4.4.3 **R** [deleted]

4.4.4 **R** [deleted]

**Limits to amounts payable for contribution claims**.....

4.4.5 **R** [deleted]