

Chapter 7

Assignment, subrogation,
variation or creation of rights



7.2 How does the assignment of rights work?

7.2.1 **R** The *FSCS* may make any payment of compensation to a claimant in respect of any *protected claim* or, where applicable, may make a payment to secure continuity of *funeral plan contracts* in accordance with **COMP 3.3**, conditional on the claimant assigning the whole or any part of their rights against any one or more of the *relevant person*, any third party, or, where applicable, a *successor*, to the *FSCS* on such terms as the *FSCS* thinks fit.

7.2.2 **R** If a claimant assigns the whole or any part of his rights against any *person* to the *FSCS* as a condition of payment, the effect of this is that any sum payable in relation to the rights so assigned will be payable to the *FSCS* and not the claimant.

7.2.3 **R**

- (1) Before taking assignment of rights from the claimant under **COMP 7.2.1 R**, the *FSCS* must inform the claimant that if, after taking assignment of rights, the *FSCS* decides not to pursue recoveries using those rights it will, if the claimant so requests in writing, reassign the assigned rights to the claimant. The *FSCS* must comply with such a request in such circumstances (see **COMP 7.4.2 R**).
- (2) [deleted] [*Editor's Note: The text of this sub-paragraph has been moved to new **COMP 7.4.1 R**.*]
- (3) [deleted]

7.2.3A **R** [deleted]

Electronic assignment

7.2.3AA **R** Where the *FSCS* has paid compensation in respect of a *claim*, this has the effect that:

- (1) an assignment completed and signed electronically in a form prescribed by the *FSCS* will be deemed to satisfy the formalities for a valid legal assignment;
- (2) production of a hard copy of the electronically signed assignment form is conclusive evidence (or, in Scotland, sufficient evidence) that the formalities of a legal assignment have been complied with and that a legal assignment has occurred; and

(3) an assignment completed electronically in the prescribed form is to be treated as having been made by writing under the hand of the assignor for the purposes of section 136 of the Law of Property Act 1925 and any other formal requirement.

7.2.3B **R** [deleted]

7.2.3C **G** [deleted]

7.2.3D **G** [deleted]

7.2.3E **R** [deleted] [*Editor's Note: The amended text of this provision has been moved to new ■ COMP 7.6.1 R.*]

7.2.4 **R** [deleted] [*Editor's Note: The amended text of this provision has been moved to new ■ COMP 7.6.2 R.*]

7.2.4A **R** [deleted] [*Editor's Note: The text of this provision has been moved to new ■ COMP 7.6.3 R.*]

7.2.5 **R** [deleted] [*Editor's Note: The amended text of this provision has been moved to new ■ COMP 7.6.4 R.*]

7.2.6 **G** [deleted] [*Editor's Note: The text of this provision has been moved to new ■ COMP 7.6.5 G.*]

Claims arising under COMP 3.2.4R

- 7.2.7** **R**
- (1) For the purposes of compensation paid under ■ COMP 3.2.4 R, FSCS may require any *firm* (including, but not limited to, the claimant *firm*) to assign to FSCS any rights the *firm* may have to claim against the *relevant person* in relation to the amount of the *shortfall* in *client money* arising out of the *failure* of the *relevant person*.
 - (2) A *firm* required by FSCS to assign its rights in (1), must assign those rights as requested, unless it has a reasonable excuse for not doing so.