

## Chapter 8

# Rejection of application and withdrawal of offer



8.2 Rejection of application for compensation

Inaccurate or incomplete applications

8.2.1 R If an application for compensation contains any material inaccuracy or omission, the FSCS may reject the application unless this is considered by the FSCS to be wholly unintentional.

8.2.2 G A rejection under COMP 8.2.1 R does not mean that the claimant cannot receive compensation. A rejected application may be resubmitted, with the appropriate amendments. An application rejected under COMP 8.2.3 R may be resubmitted if COMP 8.2.5 R applies.

Limitation periods and claims extinguished by operation of law

8.2.3 R The FSCS must reject an application for compensation if:

- (1) the FSCS considers that a civil claim in respect of the liability would have been defeated by a defence of limitation at the earlier of:
  - (a) the date on which the relevant person (or, where applicable, a successor) is determined to be in default; and
  - (b) the date on which the claimant first indicates in writing that he may have a claim against the relevant person (or, where applicable, a successor);unless COMP 8.2.4 R or COMP 8.2.4A R applies; or
- (2) the liability of the relevant person (or, where applicable, a successor) to the claimant has been extinguished by the operation of law, unless COMP 8.2.5 R applies.

8.2.4 R For claims made in connection with protected investment business, protected home finance mediation, protected non-investment insurance distribution, protected debt management business or protected funeral plan business, the FSCS may disregard a defence of limitation where the FSCS considers that it would be reasonable to do so.

8.2.4A R For a claim which falls to be dealt with (or has properly been dealt with) under a consumer redress scheme, the FSCS must disregard a defence of limitation which became available after the scheme was made or imposed.

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|       |   | <b>Dissolved companies</b>  |
| 8.2.5 | R | For claims made in connection with <i>protected investment business</i> , <i>protected non-investment insurance distribution</i> , <i>protected home finance mediation</i> , <i>protected debt management business</i> or <i>protected funeral plan business</i> , if a <i>relevant person</i> (or, where applicable, a <i>successor</i> ), incorporated as a <i>company</i> , has been dissolved with the result that its liability to the claimant has been extinguished by operation of law, the <i>FSCS</i> must treat the claim, for the purposes of paying compensation, as if the <i>relevant person</i> or a <i>successor</i> , as appropriate, had not been dissolved. |
| 8.2.6 | G | <p>■ COMP 8.2.5 R means that the <i>FSCS</i> will be able to pay compensation in cases where:</p> <p>(1) the <i>company</i> was declared in default on or after 1 December 2001; and</p> <p>(2) at the time the application for compensation is made, the <i>company</i> has been dissolved.</p>  |
|       |   | <b>Protected investment business: claims covered by the pensions review</b>   |
| 8.2.7 | R | <p>The <i>FSCS</i> may reject an application for compensation if:</p> <p>(1) it relates to an event or transaction which has been reviewed under the provisions of a 'deemed scheme' as defined in the Financial Services and Markets Act 2000 (Transitional Provisions) (Reviews of Pensions Business) Order 2001 (SI 2001/2512); and</p> <p>(2) as a result of the review in (1) no redress was payable, or redress was paid, in accordance with the regulatory standards for the review of such events or transactions, and the terms of any scheme order, applicable as at the date of the review.</p>  |
| 8.2.8 | G | The purpose of ■ COMP 8.2.7 R is to allow the <i>FSCS</i> to reject claims relating to pensions review cases where a review was carried out in accordance with the relevant regulatory standards applicable at the time. 'Deemed schemes' are those review schemes set up before <i>commencement</i> (that is, 30 November 2001) but which are treated as schemes for review of past business under the <i>Act</i> , namely the pensions review and <i>FSAVC</i> review.  |