

Chapter 9

Time limits on payment and postponing payment



9.1 Application and Purpose

Application

9.1.1 **R** This chapter applies to the *FSCS*.

9.1.2 **G** It is also relevant to claimants.

Purpose

9.1.3 **G** The purpose of this chapter is to ensure that compensation is paid to claimants as quickly as possible and that delays in paying compensation to claimants are kept to a minimum. The *FSCS* may postpone payment of compensation only in strictly limited circumstances.

9.2 When must compensation be paid?

9.2.1 **R** [deleted]

9.2.1A **R** [deleted]

9.2.1B **R** The FSCS must pay a *claim* as soon as reasonably possible after:

- (1) it is satisfied that the conditions in **COMP 3.2.1 R** have been met; and
- (2) it has calculated the amount of compensation due to the claimant;
and in any event within:
- (3) three months of that date, unless the FCA has granted the FSCS an extension, in which case payment must be made no later than six months from that date.

9.2.2 **R** The FSCS may postpone paying compensation if:

- (1) in the case of a *claim* against a *relevant person* who is an *appointed representative*, the FSCS considers that the claimant should make and pursue an application for compensation against the *appointed representative's relevant principal*; or
- (2) in the case of a *claim* relating to *protected investment business* which is not an *ICD claim* or a claim relating to *protected home finance mediation*, the FSCS considers that the claimant should first exhaust his rights against the *relevant person* (or, where applicable, a *successor*) or any third party, or make and pursue an application for compensation to any other *person*; or
- (3) [deleted]
- (4) the *claim* is one which falls within **COMP 12.4.5 R** or **COMP 12.4.7 R** and it is not practicable for payment to be made within the usual time limits laid out in **COMP 9.2.1 R**; or
- (5) the claimant has been charged with an offence arising out of or in relation to *money laundering*, and those proceedings have not yet been concluded.
- (6) [deleted]

9.2.3

R

Notwithstanding ■ COMP 9.2.2 R(2), the *FSCS* may pay compensation to a claimant in respect of assets held by a *relevant person* (or, where applicable, a *successor*) if an insolvency practitioner has been appointed to the *relevant person* (or, where applicable, a *successor*), and:

- (1) the *FSCS* considers it likely that the insolvency practitioner would, in due course, return the assets to the claimant;
- (2) the claimant has agreed to be compensated for the assets on the basis of the valuation provided by the *FSCS*; and
- (3) the claimant has agreed, to the satisfaction of the *FSCS*, that his rights to the assets in respect of which compensation is payable should pass to it.