

## Chapter 9

Time limits on payment and  
postponing payment



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*, a *claim* relating to *protected home finance mediation*, a *claim* relating to *protected non-investment insurance distribution*, a *claim* relating to *protected debt management business* or a *claim* relating to *protected funeral plan business*, the FSCS considers that the claimant should first exhaust their 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; or.
- COMP 9/2

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■ Release 35 ● Apr 2024

(6) [deleted]

(7) it or an insolvency practitioner appointed to the *relevant person* (or, where applicable, a *successor*) is seeking to secure continuity of the relevant *funeral plan contract*.

### 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.