

## COMPENSATION SOURCEBOOK (AMENDMENT NO 10) INSTRUMENT 2016

### Powers exercised

- A. The Financial Conduct Authority makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 137A (The FCA’s general rules);
  - (2) section 137T (General supplementary powers);
  - (3) section 139A (Power of the FCA to give guidance);
  - (4) section 213 (The compensation scheme);
  - (5) section 214 (General); and
  - (6) section 215 (Rights of the scheme in insolvency).
- B. The rule-making powers listed above are specified for the purpose of section 138G (Rule-making instruments) of the Act.

### Commencement

- C. This instrument comes into force on 29 April 2016.

### Amendments to the Handbook

- D. The Glossary of definitions is amended in accordance with Annex A to this instrument.
- E. The Compensation sourcebook (COMP) is amended in accordance with Annex B to this instrument.

### Citation

- F. This instrument may be cited as the Compensation Sourcebook (Amendment No 10) Instrument 2016.

By order of the Board  
21 April 2016

## Annex A

## Amendments to the Glossary of definitions

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

Insert the following new definitions in the appropriate alphabetical position. This text is not underlined.

<i>professional indemnity insurance contract</i>	a <i>contract of insurance</i> against the risk of the person insured incurring liability to a third party arising out of the insured's business activities.
<i>relevant omission</i>	where the <i>insurance intermediary</i> has failed to: <ol style="list-style-type: none"> <li>(a) pay monies to an <i>insurer</i>; or</li> <li>(b) pay monies that it has received from an <i>insurer</i>; or</li> <li>(c) take steps to cause a <i>contract of insurance</i> to be effected by an <i>insurer</i>.</li> </ol>
<i>successor</i>	(in <i>COMP</i> ) a <i>person</i> who has assumed responsibility for liabilities arising from acts or omissions of a <i>relevant person</i> .

Amend the following definitions as shown.

<i>claim</i>	(1) (in <i>COMP</i> ) a valid claim made in respect of a civil liability: <ol style="list-style-type: none"> <li>(a) <u>owed by a <i>relevant person</i> to the claimant; or</u></li> <li>(b) <u>owed by a <i>relevant person</i> to the claimant and responsibility for which has been assumed by a <i>successor</i>; or</u></li> <li>(c) <u>owed by a <i>successor</i> to the claimant as a result of the <i>successor's</i> assumption of responsibility for liabilities arising out of the acts or omissions of a <i>relevant person</i>.</u></li> </ol>
	(2) ...
<i>compensation</i>	the Financial Services Compensation Scheme established under section 213 of the <i>Act</i> (The compensation scheme) for compensating <i>persons</i> in

*scheme* cases where *authorised persons* and *appointed representatives*, or, where applicable, a *successor* or a *tied agent* of a firm, are unable, or are likely to be unable, to satisfy *claims* against them.

*ICD claim*

a *claim*:

- (a) against a *MiFID investment firm* (including a *credit institution* which is a *MiFID investment firm*), whether established in the *United Kingdom* or in another *EEA State* (or, where applicable, a *successor* of such a *firm*); and
- (b) in relation to:
  - (i) any *investment services and activities* other than the making of a *personal recommendation*;
  - (ii) the *ancillary service* of safekeeping and administration of *financial instruments* for the account of *clients*, including custodianship and related services such as cash/collateral management;
  - (iii) the firm's inability to repay money owed to or belonging to investors and held on their behalf or the firm's inability to return to investors any instruments belonging to them and held, administered or managed on their behalf, in each case, in connection with the *investment service* of the making of a *personal recommendation* relating to a *financial instrument* in accordance with the legal and contractual conditions applicable.

[**Note:** Article 2(2) of the *Investor Compensation Directive*]

## Annex B

### Amendments to the Compensation sourcebook (COMP)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

#### COMP INTRO 1A Foreword

(This Foreword to the Compensation sourcebook does not form part of COMP.)

The *Act* requires the *FCA* to make rules establishing a scheme for compensating consumers in cases where: (i) authorised *firms* are unable, or likely to be unable, to satisfy claims against them; or (ii) persons who have assumed responsibility for liabilities arising from acts or omissions of authorised *firms* ("successors") are unable, or likely to be unable, to satisfy claims against the successors that are based on those acts or omissions. The body established to operate and administer the compensation scheme is the *Financial Services Compensation Scheme Limited (FSCS)*. By making rules that allow the *FSCS* to pay compensation to retail consumers and small businesses, and focusing protection on those who need it most, the compensation scheme rules form an important part of the toolkit the *FCA* will use to meet its statutory objectives. This module of the *FCA Handbook* contains the rules and guidance that allow the ~~*Financial Services Compensation Scheme Limited FSCS*~~ *FSCS* to pay claims for compensation when an authorised person or, where applicable, a successor, is unable or likely to be unable to meet claims against it. The rules specify who is eligible to receive compensation and in what circumstances, how much compensation can be paid to a claimant; and how the scheme will be funded. The compensation rules are of interest to consumers. The rules apply to the *FSCS*, ~~and to~~ authorised firms and successors.

...

Chapter 6 Relevant persons and successors in default

...

#### 1.1 Application, Introduction, and Purpose

Application

- 1.1.1 G This chapter is relevant to:
- (1) the *FSCS*;
  - (2) *eligible claimants*; ~~and~~
  - (3) *firms*; and

(4) successors.

...

1.1.4 G *Firms* will be particularly interested in *FEES* 6, which deals with levies, ~~*COMP* 16 which deals with disclosure requirements for firms that accept deposits and *COMP* 17 which deals with systems and information requirements for firms that accept deposits~~ and *COMP* 1.6.1R, which requires firms to deal with the *FSCS* in an open, cooperative and timely way.

...

1.1.7 G The *FSCS* will only pay *claims* if a *firm* or a *successor* is unable or likely to be unable to meet *claims* against it because of its financial circumstances. If a *firm* (or, where applicable, a *successor*) is still trading and has sufficient financial resources to satisfy a *claim*, the *firm* (or, where applicable, the *successor*) will be expected to meet the *claim* itself. This can, for example, be an amount the *firm* agrees with the claimant, or the amount of an *Ombudsman* award from the *Financial Ombudsman Service*.

...

1.1.10A G By making *rules* that allow the *FSCS* to provide compensation at a level appropriate for the protection of retail *consumers* and *small businesses*, the *FCA* enables *consumers* to participate in the financial markets with the confidence that they will be protected, at least in part, should the *relevant person* with whom they are dealing, or a *successor*, be unable to satisfy *claims* against it.

...

### 1.3 Claimants

...

1.3.3 G Areas of particular interest to claimants (see *COMP* 1.1.3G)

This table belongs to *COMP* 1.1.3G

<b>Q1</b>	<b>What do I need to do in order to receive compensation?</b>		
<b>A1</b>	In order to receive compensation:		
	(1)	you must be an <i>eligible claimant</i> ;	<i>COMP</i> 4.2
	(2)	you must have a <i>protected claim</i> ;	<i>COMP</i> 5.2
	(3)	you must be claiming against a <i>relevant person</i> <u>or a <i>successor</i></u> ;	<i>COMP</i> 6.2.1R

	(4)	<u>where the <i>claim</i> is against a <i>relevant person</i>, the <i>relevant person</i> must be <i>in default</i>; or where the <i>claim</i> is against a <i>successor</i>, the <i>successor</i> must be <i>in default</i>.</u>	COMP 6.3; COMP 6.3A
		In addition, if the FSCS requires you to do so, you must assign your legal rights in the claim to the FSCS.	COMP 7.2
		And you must bring your claim to the FSCS within a set time (normally within six years of the date on which your claim against the <i>relevant person</i> occurred).	COMP 8.2.3R - COMP 8.2.5R
		It is possible, in certain circumstances, for someone else to make a <i>claim</i> on your behalf.	COMP 3.2.2R
<b>Q2</b>	<b>How much compensation will I be offered?</b>		
<b>A2</b>	This depends on whether your <i>protected claim</i> is:		
	(1)	<del>a claim for a <i>protected deposit</i> or a <i>protected dormant account</i>; or [deleted]</del>	<del>COMP 5.3</del>
	(2)	<del>a claim under a <i>protected contract of insurance</i>; or [deleted]</del>	<del>COMP 5.4</del>
	(3)	a <i>claim</i> in connection with <i>protected investment business</i> ; or	COMP 5.5
	(4)	a <i>claim</i> in connection with <i>protected home finance mediation</i> ; or	COMP 5.6
	(5)	a <i>claim</i> in connection with <i>protected non-investment insurance mediation</i> .	COMP 5.7
		Different limits apply to different types of <i>claim</i> .	COMP 10.2.3R
<b>Q3</b>	<b>How will the FSCS calculate the compensation that is offered to me?</b>		
<b>A3</b>	Again, this will depend on whether your <i>protected claim</i> is:		
	(1)	<del>a claim for a <i>protected deposit</i> or a <i>protected dormant account</i>; or [deleted]</del>	<del>COMP 12.2.1R; COMP 12.3.1R and COMP 12.4.1R</del>

	(2)	<del>a claim under a protected contract of insurance; or [deleted]</del>	<del>COMP 12.2.1R, COMP 12.3.2R and COMP 12.4.9R</del>
	(3)	a claim in connection with <i>protected investment business</i> ; or	COMP 12.2.1R, COMP 12.3.5R and COMP 12.4.2R
	(4)	a claim in connection with <i>protected home finance mediation</i> ; or	COMP 12.4.17R
	(5)	a claim in connection with <i>protected non-investment insurance mediation</i> .	COMP 12.4.20R
		Certain types of protected investment business claim require the <i>FSCS</i> to use a particular method of calculation.	COMP 12.4.5R
<b>Q4</b>		<b><del>What happens if an insurance undertaking is insolvent?</del> [deleted]</b>	
A4		<del>If you have a long-term insurance contract which is not a reinsurance contract with an insolvent insurance undertaking, the <i>FSCS</i> will first try to secure continuity of insurance for you.</del>	<del>COMP 3.3, COMP 11.2.3R and COMP 12.4.11R</del>
		<del>If the <i>FSCS</i> achieves this, you will not necessarily receive any cash, but you will continue to be insured (though possibly with lower benefits than before).</del>	<del>COMP 3.3 and COMP 11.2.3R.</del>
		<del>You will receive cash compensation only if the <i>FSCS</i> cannot secure continuity of insurance cover or the cost of doing so would be unreasonable.</del>	<del>COMP 3.3.1R and COMP 11.2.1R</del>
		<del>If you have a relevant general insurance contract which is not a reinsurance contract with an insolvent insurance undertaking, the <i>FSCS</i> will pay you cash compensation if it is unable to secure continuity of insurance cover or the cost of doing so would be unreasonable.</del>	<del>COMP 3.2.1R and COMP 11.2.3R</del>
		<del>If the <i>insurance undertaking</i> is in "financial difficulties", the <i>FSCS</i> may try to arrange for another</del>	<del>COMP 3.3.3R and</del>

	<del><i>insurance undertaking</i> to take over the business, or provide the <i>insurance undertaking</i> with financial assistance to carry on business. If this occurs, you will not receive cash compensation, but your policy will continue (though possibly with lower benefits than before).</del>	COMP <del>11.2.3R</del>
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After COMP 1.5 insert the following new section. The text is not underlined.

## 1.6 Cooperation with the FSCS

1.6.1 R A *firm* must deal with the *FSCS* in an open, cooperative and timely way.

Amend the following as shown.

## 2.2 Duties of the FSCS

Administering the compensation scheme

...

2.2.2 G The *FSCS* may:

- (1) pay compensation to *eligible claimants* ~~or secure continuity of insurance for *eligible claimants*~~ when a *relevant person* (or, where applicable, a *successor*) is unable or likely to be unable to meet *claims* against it in accordance with ~~the~~ this sourcebook; and
- (2) make levies on *participant firms*, in accordance with *FEES* 6 (Financial Services Compensation Scheme Funding), to enable it to pay compensation, ~~secure continuity of insurance~~, or meet the costs of discharging its functions under this sourcebook.

...

Assistance to claimants

2.2.4 R The *FSCS* may agree to pay the reasonable costs of an *eligible claimant* bringing or continuing insolvency proceedings against a *relevant person* or, where applicable, a *successor* (whether those proceedings began before or after a determination of default), if the *FSCS* is satisfied that those proceedings would help it to discharge its functions under the requirements of this sourcebook.



...

Publication of defaults

- 2.2.7 R The *FSCS* must take appropriate steps to ensure that potential claimants are informed of how they can make a *claim* for compensation as soon as possible after a determination has been made that a *relevant person* (or, where applicable, a *successor*) is *in default*, whether by the *FSCS* or the ~~appropriate regulator~~ *FCA*.

...

**3.2 The qualifying conditions for paying compensation**

- 3.2.1 R The *FSCS* may pay compensation to an *eligible claimant*, subject to *COMP* 11 (Payment of compensation), if it is satisfied that:

...

- (2) the claim is in respect of a *protected claim* against a *relevant person* (or, where applicable, a *successor*) who is *in default*; ~~and~~
- (3) where the *FSCS* so requires, the claimant has assigned the whole or any part of his rights against any one or more of the *relevant person*, ~~or against any third party~~ or, where applicable, a *successor*, to the *FSCS*, on such terms as the *FSCS* thinks fit; ~~and~~
- (4) ~~in the case of a *claim* under a *protected contract of insurance*:~~
  - (a) ~~it is not reasonably practicable or appropriate to make, or continue to make, arrangements to secure continuity of insurance under *COMP* 3.3.1R; or~~
  - (b) ~~it would not be appropriate to take, or continue to take, measures under *COMP* 3.3.3R to safeguard policyholders of an *insurance undertaking* in financial difficulties. [deleted]~~

...

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

...

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

This table belongs to *COMP* 4.2.1R

...	
(4)	Pension and retirement funds, and anyone who is a trustee of such a fund. However, this exclusion does not apply to:

	(a)	a trustee of a <i>personal pension scheme</i> or a <i>stakeholder pension scheme</i> (which is not an <i>occupational pension scheme</i> ); or
	(b)	a trustee of <del>a <i>small self-administered scheme</i> or</del> an <i>occupational pension scheme</i> <del>of an employer which is not a <i>large company</i>, <i>large partnership</i> or <i>large mutual association</i></del> insofar as members' benefits are <i>money-purchase benefits</i> ; or
	(c)	<u>insofar as members' benefits are not <i>money-purchase benefits</i>, a trustee of an <i>occupational pension scheme</i> of an employer which is not a <i>large company</i>, <i>large partnership</i> or <i>large mutual association</i>.</u>
...		
(7)	<u>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.</u> However, this exclusion does not apply if:	
	(a)	<del>both of the following apply:</del>
	(a)	(i) the <i>relevant person in default</i> is a mutual association which is not a <i>large mutual association</i> ; and <u>the directors do not receive a salary or other remuneration for services performed by them for the relevant person in default</u> ; or
		(ii) <del>the directors do not receive a salary or other remuneration for services performed by them for the relevant person in default</del> ; or <u>in respect of a claim against a successor in default, the relevant person or a successor, to whichever the directorship relates, is a mutual association which is not a large mutual association and the directors do not receive a salary or other remuneration for services performed by them for the relevant person or a successor, as applicable</u> ; or
	(b)	(i) the <i>relevant person in default</i> is a <i>credit union</i> ; or
		(ii) <u>in respect of a claim against a successor in default, the relevant person or a successor, to whichever the directorship relates, is a credit union.</u>
...		
(9)	<u>Bodies corporate in the same group as the relevant person in default or, in respect of a claim against a successor in default, bodies corporate in the same group as a successor or the relevant person, as applicable, unless that body corporate is:</u>	

	(a)	a trustee of a <u>stakeholder pension scheme</u> (which is not an <u>occupational pension scheme</u> ) or a <u>personal pension scheme</u> (but in each case if the trustee is a <u>firm</u> it will only be an <u>eligible claimant</u> if its <u>claim</u> arises out of a <u>regulated activity</u> for which it does not have a permission); or:
	(i)	<del>a stakeholder pension scheme (which is not an occupational pension scheme) or a personal pension scheme (but in each case if the trustee is a firm it will only be an eligible claimant if its claim arises out of a regulated activity for which it does not have a permission);</del>
	(ii)	<del>(if the claim is with respect to a long-term insurance contract) a small self-administered scheme or an occupational pension scheme; or</del>
	(iii)	<del>(if the claim is not with respect to a long-term insurance contract) a small self-administered scheme or an occupational pension scheme of an employer which is not a large company, large partnership or large mutual association; or</del>
	(aa)	<u>(if the claim is with respect to a long-term insurance contract) a trustee of an occupational pension scheme; or</u>
	(ab)	<u>(if the claim is not with respect to a long-term insurance contract), a trustee of:</u>
	(i)	<u>an occupational pension scheme in relation to members' benefits which are money-purchase benefits; or</u>
	(ii)	<u>(unless (i) applies) an occupational pension scheme of an employer which is not a large company, large partnership or large mutual association; or</u>
	(b)	carrying on the <u>regulated activity</u> of operating or winding up a stakeholder pension scheme (which is not an <u>occupational pension scheme</u> ) or <u>personal pension scheme</u> .
...		
(12)		Persons who, in the opinion of the FSCS, are responsible for, or have contributed to, the <u>relevant person's</u> ( <u>or, where applicable, a successor's</u> ) default
...		

...

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

...

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:

...

...

### 5.2 What is a protected claim?

...

Claims in respect of successors

- 5.2.4 G Where a claim for compensation is in respect of a *claim* against a *successor*, the following rules apply to the *relevant person* for whose liabilities the *successor* has assumed responsibility (or to such *relevant person's* activities, as the case may be):

- (1) COMP 5.5.1R;
- (2) COMP 5.5.2R;
- (3) COMP 5.5.3R;
- (4) COMP 5.6.1R;
- (5) COMP 5.6.2R; and
- (6) COMP 5.7.2R.

...

### 5.7 Protected non-investment insurance mediation

...

- 5.7.3 G The *FSCS* will not cover a *claim* against an intermediary or a *successor* of an intermediary that meets the criteria of either *COMP 5.7.2R(2)(a)* or *COMP 5.7.2R(2)(b)* where the claimant was introduced to that intermediary by an intermediary that does not meet the criteria of either *COMP 5.7.2R(2)(a)* or *COMP 5.7.2R(2)(b)*.

...

## 6 Relevant persons and successors in default

### 6.1 Application and Purpose

...

Purpose

...

- 6.1.4 G To be eligible for compensation a claimant's claim must be against a *relevant person* (or, where applicable, a successor) *in default*: see COMP 3.2.1R(2).

...

After COMP 6.3 insert the following new section. The text is not underlined.

### 6.3A When is a successor in default?

- 6.3A.1 R (1) A *successor* is *in default* if:
- (a) the *FSCS* has determined it to be *in default* under COMP 6.3A.2R, COMP 6.3A.3R, or COMP 6.3A.4R, unless the claim is within (b); or
  - (b) (in relation to an *ICD claim* against a *successor* that is a *MiFID investment firm*):
    - (i) the *FCA* has determined it to be *in default* under COMP 6.3A.2R; or
    - (ii) a judicial authority has made a ruling that had the effect of suspending the ability of *eligible claimants* to bring *claims* against the *successor*, if that is earlier than (i).
- (2) If a *successor* is *in default* in relation to an *ICD claim* within (1)(b) it is to be deemed to be *in default* in relation to any other type of *protected claim*.
- 6.3A.2 R The *FSCS* (or, where COMP 6.3A.1R(1)(b)(i) applies, the *FCA*) may determine a *successor* to be *in default* when it is, in the opinion of the *FSCS* or the *FCA*:
- (1) unable to satisfy *protected claims* against it; or
  - (2) likely to be unable to satisfy *protected claims* against it.

- 6.3A.3 R The *FSCS* may determine a *successor* to be *in default* if it is satisfied that a *protected claim* exists (other than an *ICD claim* against a *successor* that is a *MiFID investment firm*), and the *successor* is the subject of one or more of the following proceedings in the *United Kingdom* (or of equivalent or similar proceedings in another jurisdiction):
- (1) the passing of a resolution for a creditors' voluntary winding up; or
  - (2) a determination by the *successor's Home State regulator* that the *successor* appears unable to meet *claims* against it and has no early prospect of being able to do so; or
  - (3) the appointment of a liquidator or administrator, or provisional liquidator or interim manager; or
  - (4) the making of an order by a court of competent jurisdiction for the winding up of a company, the dissolution of a partnership, the administration of a company or partnership, or the bankruptcy of an individual; or
  - (5) the approval of a company voluntary arrangement, a partnership voluntary arrangement, or an individual voluntary arrangement.
- 6.3A.4 R For *claims* arising in connection with *protected investment business*, *protected home finance mediation* or *protected non-investment insurance mediation*, the *FSCS* has the additional power to determine that a *successor* is *in default* if it is satisfied that a *protected claim* exists and:
- (1) the *FSCS* is satisfied that the *successor* cannot be contacted at its last place of business and that reasonable steps have been taken to establish a forwarding or current address, but without success; and
  - (2) there appears to the *FSCS* to be no evidence that the *successor* will be able to meet *claims* made against it.
- 6.3A.5 R For the purposes of sections 219(1A)(b) and (d) of the *Act* (Scheme manager's power to require information) whether a *successor* is unable or likely to be unable to satisfy claims is to be determined by reference to whether it is *in default*.

Amend the following as shown.

## 7 Assignment or subrogation of rights

...

### 7.2 How does the assignment of rights work?

- 7.2.1 R The *FSCS*:
- (1) ~~must or if the *FSCS* is subrogated automatically to the claimant's rights may make any payment of compensation to a claimant, in respect of a *protected deposit*, conditional on the claimant, in so far as able to do so, assigning the whole of his rights; and~~
  - (2) may make any payment of compensation to a claimant in respect of any ~~other~~ *protected claim* conditional on the claimant assigning the whole or any part of his rights;
- against any one or more of the *relevant person*, or against any third party, or both, or, where applicable, a *successor*, to the *FSCS* on such terms as the *FSCS* thinks fit.

...

#### 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.

...

### **7.3 Automatic subrogation**

...

- 7.3.2 R The *FSCS's* powers in this section may be used:
- (1) separately or in any combination as an alternative and in substitution for the powers and processes elsewhere in this sourcebook; and/or
- ...
- (3) in relation to all or any part of a *protected claim* or class of *protected claim* made with respect to the *relevant person* (or, where applicable,

~~a *successor*); and/or~~ .

- (4) ~~(where the *FSCS* uses its powers to administer the payment of compensation on behalf of, or to pay compensation or make a payment on account or an advance and recover from, a Non-UK Scheme or Other Funder (see *COMP 15.1.14R*)) in respect of all or part of any *protected deposit* which is compensatable by and/or recoverable from the Non-UK Scheme or Other Funder, and the *FSCS* may make different provision for those parts of a *protected deposit* (and references to paying compensation shall be treated as referring to making a payment, making a payment on account or making an advance as appropriate) (for the purposes of this section the terms "Non-UK Scheme" and "Other Funder" have the same meaning as in *COMP 15.1.14R*): [deleted]~~

...

Determinations by the FSCS

7.3.4 R ...

- (2) An instrument by which the *FSCS* makes the determination must specify the provision under which it is made, the date and time from which it takes effect and the *relevant person* (or, where applicable, a *successor*) and *protected claims*, parts of *protected claims* and/or classes of *protected claims* in respect of which it applies.

...

...

Rights and obligations against the relevant persons, successors and third parties

7.3.8 R The *FSCS* may determine that:

- (1) the payment of compensation by the *FSCS*; ~~and/or~~
- (2) ~~the following actions by the *FSCS* (under *COMP 15.1.14R*):~~
- (a) ~~administering the payment of compensation on behalf of;~~  
~~and/or~~
- (b) ~~paying and/or making a payment on account of compensation~~  
~~from;~~

~~a Non-UK Scheme or Other Funder; [deleted]~~

shall have all or any of the following effects:

- (3) the *FSCS* shall immediately and automatically be subrogated, subject to such conditions as the *FSCS* determines are appropriate, to all or any part (as determined by the *FSCS*) of the rights and claims in



the *United Kingdom* and elsewhere of the claimant against the *relevant person* (or, where applicable, a *successor*) and/or any third party (whether such rights are legal, equitable or of any other nature whatsoever and in whatever capacity the *relevant person* (or, where applicable, a *successor*) or third party is acting) in respect of or arising out of the *claim* in respect of which the payment of or on account of compensation was made;

- (4) the *FSCS* may claim and take legal or any other proceedings or steps in the *United Kingdom* or elsewhere to enforce such rights in its own name or in the name of, and on behalf of, the claimant, or in both names against the *relevant person* (or, where applicable, a *successor*) and/or any third party;
- (5) the subrogated rights and claims conferred on the *FSCS* shall be rights of recovery and claims against the *relevant person* (or, where applicable, a *successor*) and/or any third party which are equivalent (including as to amount and priority and whether or not the *relevant person* (or, where applicable, a *successor*) is insolvent) to and do not exceed the rights and claims that the claimant would have had; and/or
- (6) such rights and/or obligations (as determined by the *FSCS*) as between the *relevant person* (or, where applicable, a *successor*) and the claimant arising out of the *protected claim* in respect of which the payment was made shall be transferred to, and subsist between, another *authorised person* (or, where a *successor* is not an *authorised person*, an *authorised person*) with an appropriate *permission* and the claimant provided that the *authorised person* has consented (but the transferred rights and/or obligations shall be treated as existing between the *relevant person* (or where applicable, a *successor*) and the *FSCS* to the extent of any subrogation, transfer or assignment for the purposes of (3) to (5) and *COMP 7.3.9R*).

- 7.3.9 R The *FSCS* may alternatively or additionally make the actions in *COMP 7.3.8R*(1) ~~and (2)~~ conditional on the claimant assigning or transferring the whole or any part of all such rights as he may have against the *relevant person* (or, where applicable, a *successor*) and/or any third party ~~(including, for the avoidance of any doubt, any Non-UK Scheme or Other Funder)~~ on such terms as the *FSCS* determines are appropriate.

...

## 7.6 Recoveries: claims other than for protected deposits

...

- 7.6.5 G As an example of the circumstances which *COMP 7.6.4R* is designed to address, take two claimants, A and B.

- (1) Both A and B have a *protected investment business claim* of £60,000 against a *relevant person* (or, where applicable, a *successor*) in

*default*. The *FSCS* offers both claimants £50,000 compensation (the maximum amount payable for such claims under *COMP* 10.2.3R). A accepts immediately, and assigns his rights against the *relevant person* (or, where applicable, a *successor*) to the *FSCS*, but B delays accepting the *FSCS*'s offer of compensation.

- (2) In this example, the liquidator is able to recover assets from the *relevant person* (or, where applicable, a *successor*) in *default* and makes a payment of 50p in the pound to all the *relevant person's* or *successor's*, as appropriate, creditors. If the liquidator made the payment before any offer of compensation from the *FSCS* had been accepted, A and B would both receive £30,000 each from the liquidator, leaving both with a loss of £30,000 to be met by the *FSCS*. Both *claims* would be met in full.

...

...

## 8.2 Rejection of application for compensation

...

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* 8.2.4R or *COMP* 8.2.4AR 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* 8.2.5R applies.

...

8.2.5 R For claims made in connection with *protected investment business* or *protected non-investment insurance mediation*, if a *relevant person* (or, where applicable, a *successor*), incorporated as a *company*, has been dissolved with the result that its liability to the claimant has been extinguished by operation of law, the *FSCS* must treat the claim, for the purposes of paying compensation, as if the *relevant person* or a *successor*, as appropriate, had not been dissolved.

...

## 9 Time limits on payment and postponing payment

...

### 9.2 When must compensation be paid?

...

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

...

(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) ~~in the case of a *claim* relating to a *protected contract of insurance*, the *FSCS* considers that the liability to which the *claim* relates or any part of the liability is covered by another *contract of insurance* with a solvent *insurance undertaking*, or where it appears that a *person*, other than the liquidator, may make payments or take such action to secure the continuity of cover as the *FSCS* would undertake; or~~ [deleted]

...

(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~~

(6) ~~the *claim* relates solely to a bonus provided for under a *protected contract of insurance* the value of which the *FSCS* considers to be of such uncertainty that immediate payment of compensation in respect of that bonus would not be prudent and a court has yet to attribute a value to such bonus.~~ [deleted]

9.2.3 R Notwithstanding *COMP* 9.2.2R(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:

...

...

## 10.2 Limits on compensation payable

...

- 10.2.2 G The limits apply to the aggregate amount of *claims* in respect of each category of *protected claim* that an *eligible claimant* has against the *relevant person* (or, where applicable, a *successor*). Consequently, a claimant who has, for example, a *claim* against a *relevant person* (or, where applicable, a *successor*) in connection with *protected investment business* of £40,000, and a further such *claim* of £20,000, will only receive the £50,000 limit.

### 10.2.3 Table Limits

This table belongs to COMP 10.2.1R

Type of claim	Level of cover	Maximum payment
<i>Protected deposit or protected dormant account</i> <sup>4</sup>	100% of claim	£85,000 [Note: articles 7(1a) and 7(1b) of the <i>Deposit Guarantee Directive</i> ]
<i>Protected contract of insurance when the contract is a relevant general insurance contract</i>	(1) Where the <i>claim</i> is in respect of a <i>liability subject to compulsory insurance</i> : 100% of <i>claim</i> <sup>2</sup>	Unlimited
	(2) In all other cases: 90% of <i>claim</i>	Unlimited
<i>Protected contract of insurance when the contract is a long term insurance contract</i>	At least 90% of <i>claim</i> as determined in accordance with COMP 12	Unlimited
<i>Protected investment business</i>	100% of <i>claim</i>	£50,000
<i>Protected home finance mediation</i>	100% of <i>claim</i>	£50,000
<i>Protected non-investment insurance mediation</i>	(1) where the <i>claim</i> is in respect of a <i>liability subject to compulsory insurance</i> : 100% of <i>claim</i>	Unlimited
	(2) where the <i>claim</i> is in respect of: (a) a <i>relevant omission</i> ;	Unlimited

	<p><u>and</u></p> <p><u>(b) a professional indemnity insurance contract, or would be in respect of a professional indemnity insurance contract if the insurance contract had been effected:</u></p> <p><u>100% of claim</u></p>	
	<p><u>(3) where the claim is:</u></p> <p><u>(a) in respect of a relevant omission;</u></p> <p><u>(b) in respect of a relevant general insurance contract or would be in respect of a relevant general insurance contract if the insurance contract had been effected; and</u></p> <p><u>(c) arises from the death or incapacity of the policyholder owing to injury, sickness or infirmity:</u></p> <p><u>100% of claim</u></p>	<p><u>Unlimited</u></p>
	<p><u>(4) where the claim is in respect of:</u></p> <p><u>(a) a relevant omission;</u></p> <p><u>and</u></p> <p><u>(b) a pure protection contract, or would be in respect of a pure protection contract if the insurance contract had been effected:</u></p> <p><u>100% of claim</u></p>	<p><u>Unlimited</u></p>
	<p><u>(25) In all other cases:</u></p> <p><u>90% of claim</u></p>	<p><u>Unlimited</u></p>

...

- 10.2.5 G ~~COMP 12.4.1R and COMP 12.4.4R include~~ includes further limits relating to ~~Deposit Guarantee Directive claims and ICD claims~~ against certain *incoming EEA firms*. These reflect the ~~Deposit Guarantee Directive and Investor Compensation Directive/s Directive~~, under which compensation may be payable by the *incoming EEA firm's Home State* compensation scheme.

Claims in cases where there is a successor

- 10.2.5A R No claimant shall be eligible to make a claim under the *compensation scheme* in respect of both the *relevant person* and a *successor* in relation to the same loss.

...

## 11 Payment of compensation

...

### 11.2 Payment

To whom must payment be made

- 11.2.1A R If the *FSCS* determines that compensation is payable (or any recovery or other amount is payable by the *FSCS* to the claimant), it must pay it to the claimant, or if the *FSCS* so decides, as directed by the claimant, unless *COMP 11.2.2R* applies.

...

Form and method of paying compensation

- 11.2.3A R The *FSCS* may pay compensation in any form and by any method (or any combination of them) that it determines is appropriate including, without limitation:

...

- (4) by paying compensation to a *firm*, which makes a *claim* on behalf of its *clients*, if the *FSCS* is satisfied that:
- (a) the business of a *relevant person in default* has been transferred to the *firm*;
  - (b) each *client* has a *claim* against the *relevant person in default* arising out of a *shortfall in client money or safe custody assets* held by the *relevant person in default*;
  - (c) the *clients* in respect of which compensation is to be paid satisfy the conditions set out in *COMP 3.2.2R(1)*; and

- (d) the *firm* has agreed, on such terms as the *FSCS* thinks fit, to pay, or credit the accounts of, without deduction, each *client*, that part of the compensation due to him.

...

#### Paying full compensation in return for rights

- 11.2.9 R Where the *FSCS* considers that the conditions in *COMP* 11.2.4R are satisfied but, in relation to a class of *claim*, in order to provide fair compensation for the generality of such *claims* it would be appropriate to take the approach in (1) and (2) rather than pay an appropriate lesser sum in final settlement or make a payment on account, it may for that class of *claim*:
- (1) receive whether by assignment, transfer or operation of law the whole or any part of a claimant's rights against the *relevant person* (or, where applicable, a *successor*), or against any third party, or both on such terms as the *FSCS* thinks fit; and

...

...

## 12 Calculating compensation

...

### 12.2 Quantification: general

- 12.2.1A R The amount of compensation payable to the claimant in respect of any type of *protected claim* is the amount of his overall net *claim* against the *relevant person* (or, where applicable, a *successor*) at the *quantification date* and any reference in *COMP* to overall *claim* means "overall net *claim*" ~~or "overall gross *claim*" as appropriate.~~

...

- 12.2.3 G Where a liability of a *relevant person* (or, where applicable, a *successor*) to an *eligible claimant* could fall within more than one type of *protected claim* (see *COMP* 5.2.1R), for example a *claim* in connection with *money held by an MiFID investment firm* that is also a *credit institution*, the *FSCS* should seek to ensure that the claimant does not receive any further compensation payment from the *FSCS* in cases where the claimant has already received compensation from the *FSCS* in respect of that *claim*.

#### Overall net claim

- 12.2.4 R A claimant's overall *claim* is the sum of the *protected claims* of the same category that he has against a *relevant person* (or, where applicable, a *successor*) *in default*, less the amount of any liability which the *relevant person* or *successor*, as appropriate, may set off against any of

those *claims* (see *COMP* 10.2.2G).

...

Payments to the claimant

- 12.2.7A R The *FSCS* must take into account any payments to the claimant (including amounts recovered by the *FSCS* on behalf of the claimant) made by the *relevant person* (or, where applicable, a *successor*) or the *FSCS* or any other *person*, if that payment is connected with the *relevant person's* (or, where applicable, a *successor's*) liability to the claimant in calculating the claimant's overall *claim*.

...

### 12.3 Quantification date

Protected investment business

...

- 12.3.6 R For a *claim* made in connection with *protected investment business* which is an *ICD claim*, the *quantification date* is the date the *relevant person*, or, where applicable, a *successor*, is determined to be *in default*.

...

### 12.4 The compensation calculation

Protected investment business: general

...

- 12.4.4 R If the claimant has an *ICD claim* against an *incoming EEA firm* which is ~~an~~ a *MiFID investment firm* (including a *credit institution* which is ~~an~~ a *MiFID investment firm*) or, where applicable, a *successor* of such a *firm*, the *FSCS* must take account of the liability of the *Home State* compensation scheme in calculating the compensation payable by the *FSCS*.

...

### 12.6 Quantification: trustees, operators of pension schemes, persons winding up pension schemes, personal representatives, agents, and joint claims

Trustees, operators of pension schemes and persons winding up pension schemes

...

- 12.6.2A R If a claimant has a *claim*:
- (1) as the trustee of ~~a *small self-administered scheme* or an *occupational pension scheme* of an employer which is not a *large company*, *large partnership* or *large mutual association*~~ or the trustee or operator of,



or the *person* carrying on the *regulated activity* of winding up, a stakeholder pension scheme (which is not an *occupational pension scheme*) or *personal pension scheme*; and

- (2) for one or more members of a pension scheme (or, where relevant, the beneficiary of any member) whose benefits are, or include, *money-purchase benefits*;

the *FSCS* must treat the member or members (or, where relevant, the beneficiary of any member) as having the *claim*, and not the claimant (insofar as members' benefits are *money-purchase benefits*).

...

### TP 1.1 Transitional Provisions Table

(1)	(2)	(3)	(4)	(5)	(6)
	Material to which the transitional provision applies		Transitional Provision	Transitional provision: dates in force	Handbook Provisions: coming into force
<u>1</u> [PRA]	COMP 5	R	<i>Protected claims</i>	Indefinitely	<i>Commencement</i>
			(1) <i>A claim for a protected deposit or under a protected contract of insurance includes a claim in respect of an article 9 default, subject to (2) [deleted]</i>		
			(2) <i>A claim must be treated as a claim in relation to a protected contract of insurance under COMP 5.4.5R if the conditions in article 9A or 710(1)(a)-(d) of the compensation transitionals order are satisfied. [deleted]</i>		<i>Commencement but on 6 December 2006 for article 9A of the compensation transitionals order</i>
			(3) <i>A claim in connection</i>		

				with <i>protected investment business</i> includes a <i>claim</i> in respect of a <i>pending application</i> .		
			(4)	Where the <i>claim</i> is in respect of an <del><i>article 9 default</i></del> or a <i>pending application</i> , the <i>FSCS</i> must apply the rules of the <i>relevant former scheme</i> , as they applied to the default before commencement, <del>unless (2) applies</del> .		
			(5)	The rules of each <i>investment business compensation scheme</i> are amended so that references to the person managing the scheme are replaced by references to the <i>FSCS</i> .		
			(6)	The rules of the Friendly Societies Protection Scheme are amended so that: <u>[deleted]</u>		
			(a)	references to the person managing the scheme are replaced by references to the <i>FSCS</i> ; and		
			(b)	References to functions conferred upon the Friendly Societies Protection Scheme Board are replaced by references to functions conferred upon the <i>FSCS</i> .		

			(7)	Where the default occurs after <i>commencement</i> , a <i>claim</i> for a <i>protected deposit</i> includes a <i>claim</i> that arose before <i>commencement</i> in respect of: <u>[deleted]</u>		
			(a)	a <i>deposit</i> within the meaning of the Banking Act 1987; and		
			(b)	a <i>claim</i> in respect of a <i>protected investment</i> within the meaning of section 27 of the Building Societies Act 1986.		
			(8)	Where the default occurs after <i>commencement</i> , a <i>claim</i> in connection with <i>protected investment business</i> includes a <i>claim</i> that could have been entertained under an <i>investment business compensation scheme</i> (provided that the person making the <i>claim</i> has not also made a <i>pending application</i> arising out of the same set of facts).		
2	COMP 13.5 and COMP 13.6	R	Expired			
3	COMP 13.4.6R and COMP 13.6.7R	R	Expired			
4	COMP 13.5.8R	R	Expired			
5	COMP 6.2.1R	R	Credit unions <u>[deleted]</u>	Indefinitely	Commencement	

[PRA]						
			<p>In relation to a <i>claim</i> or potential <i>claim</i> referred to in (1) or (2), a <i>relevant person</i> is also any credit union which:</p>			
			(1)	<p>becomes unable, or is likely to become unable, to satisfy <i>claims</i> against it which relate to <i>deposits</i> which were accepted before 2 July 2002; or</p>		
			(2)	<p>(a) has ceased to have <i>Part 4A permission</i> by virtue of article 3(4) of the Financial Services and Markets Act 2000 (Permission and Applications) (Credit Unions etc.) Order 2002 (SI 2002/704) (failure to comply with a direction to re-apply for <i>Part 4A permission</i>); and</p>		
				<p>(b) thereafter, becomes unable, or is likely to become unable, to satisfy <i>claims</i> against it which relate to <i>deposits</i> which were accepted on or after 2 July 2002 but before the date on which it ceased to have <i>Part 4A permission</i>.</p>		
6 [PRA]	COMP 6.2.1R	G	<p>In consequence of transitional provision 5R, compensation can be provided: [deleted]</p>			
			(a)	<p>in respect of a credit union which is unable,</p>		

				or likely to become <del>unable, to satisfy claims for protected deposits accepted before 2 July 2002; and</del>		
			(b)	where a credit union has ceased to hold a <i>Part 4A permission</i> (because of failure to comply with a direction to re-apply for the <i>Part 4A permission</i> ), for <i>protected deposits</i> accepted on or after 2 July 2002 but before the date at which it ceased to have the <i>Part 4A permission</i> .		
7 [PRA]	COMP 6.2.1R	G		In consequence of transitional provision 5R(1), a credit union becomes a <i>relevant person</i> in respect of <i>deposits</i> accepted before 2 July 2002. [deleted]		
8 [PRA]	Amendments introduced by the Compensation Sourcebook (Amendment No.2) Instrument 2003.	R		Provisions and definitions arising out of (2) only apply to defaults, or circumstances giving rise to arrangements made under COMP 3.3.1 R or to measures taken under COMP or to measures taken under COMP 3.3.3R, occurring after the date in (6) [deleted]	Indefinitely	1 December 2003
9	COMP 13.6.8R	R		[Expired]		
10	COMP 5.7.1R, COMP 13.4.7R and COMP 13.6.9R	R		[deleted]		
11	FEES 6.3.1R, FEES 6.3.22R, FEES 6.4.8R, FEES 6.4.6R,	R		[deleted]		

	<i>FEES</i> 6.5.1R and <i>FEES</i> 6.5.6R				
12	<i>FEES</i> 6.5.7R(4), <i>FEES</i> 6.3.22R, <i>FEES</i> 6.4.6R, <i>FEES</i> 6.4.8R, <i>FEES</i> 6.5.1R, and <i>FEES</i> 6.5.6R	R	[deleted]		
13	<i>FEES</i> 6.5.7R(4), <i>FEES</i> 6.5.10R, and <i>FEES</i> 6.5.13R(2)	R	[deleted]		
14	<i>FEES</i> 6.5.7R(5), <i>FEES</i> 6.5.11R, and <i>FEES</i> 6.5.13R(2)		[deleted]		
15 [PRA]	<i>COMP</i> 5.4.4R(4)(a) and <i>COMP</i> 5.4.4R(4)(b)	R	The changes to <i>COMP</i> 5.4.4R(4) made in the Compensation Sourcebook (Amendment No 7) Instrument 2006 do not apply in relation to defaults declared before 6 June 2006. [deleted]	Indefinitely	6 June 2006
16 [PRA]	<i>COMP</i> 10.2.3 R	R	The change to the limit for <i>protected deposits</i> made by the Compensation Sourcebook (Protected Deposits Limit) Instrument 2007 does not apply in relation to a <i>claim</i> against a <i>relevant person</i> that was <i>in default</i> before 1 October 2007. [deleted]	From 1 October 2007 indefinitely	Amended with effect from 1 October 2007
17 [FCA] [PRA]	Amendments introduced by the Compensation Sourcebook (Amendment No 8) Instrument	R	Provisions and definitions arising out of (2) only apply to defaults on or occurring after 7 October 2008	From 7 October 2008 indefinitely	7 October 2008

	2008				
18 [PRA]	COMP 10.2.3R	R	<del>The change to the limit for protected deposits made by the Compensation Sourcebook (Deposit Guarantee Schemes Directive Amendments) Instrument 2009 does not apply in relation to a claim against a relevant person that was in default before 30 June 2009. [deleted]</del>	From 30 June 2009 indefinitely	30 June 2009
19 [FCA] [PRA]	Amendments to COMP 10.2.3R introduced by the Financial Services Compensation Scheme (Limits Amendment) Instrument 2009	R	Provisions and definitions arising out of (2) only apply to defaults on or occurring after 1 January 2010.	From 1 January 2010 indefinitely	1 January 2010
20 [PRA]	COMP 4.3.1R	R	<del>The change to the eligibility requirements for claimants for protected deposits made by the Financial Services Compensation Scheme (Banking Compensation Reform) Instrument 2009 does not apply in relation to a claim against a relevant person that was in default before 1 August 2009. [deleted]</del>	From 1 August 2009 indefinitely	1 August 2009
21	COMP 17.3 and COMP 17.2.7R	R	[deleted]		
22	COMP 17.3	R	[deleted]		
23	COMP 17.3.10R and COMP 17.3.12R	R	[deleted]		
24	COMP 10.2.3R	R	<del>The change to the limit for protected deposits made by the</del>	From 31 December	31 December 2010

[PRA]			Compensation Sourcebook (Deposit Guarantee Schemes Directive Amendments) (No 2) Instrument 2010 does not apply in relation to a <i>claim</i> against a <i>relevant person</i> that was <i>in default</i> before 31 December 2010. [deleted]	2010 indefinitely	
25 [FCA] [PRA]	<del>COMP 12.2.1R and COMP 12.2.6AR</del> and the <u>The</u> amendment of all references in <i>COMP</i> (other than in <del>COMP 12.2.1R</del> and the heading in respect of <i>COMP</i> 12.2.4R) to “overall net <i>claim</i> ” to “overall <i>claim</i> ”	R	The changes referred to in (2) made by the Financial Services Compensation Scheme (Banking Compensation Reform) Instrument 2009 do not apply in relation to a <i>claim</i> against a <i>relevant person</i> that was <i>in default</i> before 31 December 2010.	From 31 December 2010 indefinitely	From 31 December 2010
26 [PRA]	<i>COMP</i> 12.3.1R and <i>COMP</i> 15.1.12R	R	<del>The changes referred to in (2) made by the Financial Services Compensation Scheme (Banking Compensation Reform) Instrument 2009 do not apply in relation to a <i>claim</i> against a <i>relevant person</i> that was <i>in default</i> before 31 December 2010. [deleted]</del>	<del>From 31 December 2010 indefinitely</del>	<del>From 31 December 2010</del>
27 [FCA] [PRA]	<i>COMP</i> 4.2.2R(9)	R	The changes referred to in (2), made by the Compensation Sourcebook (Occupational Pension Scheme Trustees) Instrument 2011 do not apply in relation to a <i>claim</i> against a <i>relevant person</i> that was <i>in default</i> before 1 October 2011.	From 1 October 2011 indefinitely	From 1 October 2011
28 [PRA]	<i>COMP</i> 16.3	R	<del>A Northern Ireland credit union need not comply with <i>COMP</i> 16.3 until 30</del>	<del>From 31 March 2012 until 30 September</del>	<del>For Northern Ireland credit unions 31</del>



			September 2013. [deleted]	2013	March 2012
29	COMP 17	R	[deleted]		
30	COMP 17.3 and COMP 17.2.7R	R	[deleted]		
31	COMP 17.3	R	[deleted]		
32	COMP 17.3.10R and COMP 17.3.12R	R	[deleted]		
33 [FCA] [PRA]	Amendments introduced by Annex A and Part 1 of Annex B of the Compensation Sourcebook (Amendment No 9) Instrument 2012.	R	The changes referred to in (2) do not apply in relation to a <i>claim</i> against a <i>relevant person</i> that was <i>in default</i> before 1 October 2012. Notwithstanding the above:  (a) <del>to the extent that the provisions changed apply to protected deposits, all the changes in (2); and</del>  (b) the changes to COMP 12.2.10R;  apply irrespective of when the default occurred.	From 1 October 2012 indefinitely	From 1 October 2012
34 [FCA]	Amendments introduced by the Compensation Sourcebook (Investments by Large Unincorporated Associations and Certain Large Partnerships) Instrument 2013	R	The changes referred to in (2) do not apply in relation to a <i>claim</i> against a <i>relevant person</i> that was <i>in default</i> before 13 December 2013.	From 13 December 2013 indefinitely	From 13 December 2013
35	All the <i>rules</i> and <i>guidance</i> in COMP applicable to	R	The <i>compensation scheme</i> does not provide cover for <i>claims</i> in respect of any mortgage mediation activity relating to a	From 21 March 2016 indefinitely	Not applicable

	<i>protected home finance mediation</i>		<i>second charge regulated mortgage contract if:</i>  (1) the <i>relevant person</i> was in <i>default</i> before 21 March 2016; or  (2) the basis for the <i>claim</i> arose before 21 March 2016.		
35 [PRA]	Amendments introduced by the Compensation Sourcebook (Large Unincorporated Associations) Instrument 2013	R	<del>The changes referred to in (2) do not apply in relation to a <i>claim</i> against a <i>relevant person</i> that was <i>in default</i> before 17 December 2013. [deleted]</del>	From 17 December 2013 indefinitely	From 17 December 2013.
36 [PRA]	COMP 17.2.1R and COMP 17.2.3R	R	<del>The rules referred to in (2) only apply on or after 18 March 2014 in relation to changes to <i>eligible claimants</i> resulting from the Compensation Sourcebook (Large unincorporated associations) Instrument 2013. [deleted]</del>	From 17 December 2013 to 17 March 2014	16 December 2013
37	<u>COMP 10.2.3R(2), (3) and (4)</u>	R	<u>The rules referred to in (2) do not apply in relation to a <i>claim</i> against a <i>relevant person</i>, or against a <i>successor</i>, that was <i>in default</i> before 29 April 2016. Instead, COMP 10.2.3R(5) will continue to apply to such <i>claims</i>.</u>	From 29 April 2016 indefinitely	<u>29 April 2016</u>
38	<u>COMP 4.2.2R(4), COMP 4.2.2R(9) and COMP 12.6.2AR</u>	R	<u>The changes referred to in (2) do not apply to a <i>claim</i> against a <i>relevant person</i>, or against a <i>successor</i>, that was <i>in default</i> before 29 April 2016.</u>	From 29 April 2016 indefinitely	<u>29 April 2016</u>
39	<u>Amendments introduced by the Compensation</u>	R	<u>Where a <i>claim</i> is against a <i>successor</i> that is not an <i>authorised person</i>, provisions and definitions arising out of</u>	From 29 April 2016 indefinitely	<u>29 April 2016</u>

	<u>Sourcebook (Amendment No 10) Instrument 2016</u>		<u>(2) only apply if the default occurs on or after 29 April 2016 and the transfer, under which the <i>successor</i> assumed responsibility for liabilities arising from acts or omissions of the <i>relevant person</i>, occurred on or after 1 April 2013.</u>		
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## Sch 2 Notification requirements

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### Sch 2.2G

Handbook reference	Matter to be notified	Contents of notification	Trigger event	Time allowed
...				
COMP 2.2.7R	Default of <del>relevant person</del> <u>relevant person or successor</u>	Not specified - although <del>FSCS</del> <u>the FSCS</u> must take appropriate steps to ensure claimants are informed about how they can claim compensation	default of a <del>relevant person</del> <u>relevant person or successor</u>	Not specified - but as soon as practicable after determining default
...				