

**FINANCIAL SERVICES COMPENSATION SCHEME (MISCELLANEOUS
AMENDMENTS) INSTRUMENT 2021**

Powers exercised

- A. The Financial Conduct Authority (“the FCA”) 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 rule-making power);
 - (2) section 137T (General supplementary powers);
 - (3) section 139A (Power of the FCA to give guidance);
 - (4) section 213 (The compensation scheme); and
 - (5) section 214 (General).
- 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 25 June 2021.

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 Financial Services Compensation Scheme (Miscellaneous Amendments) Instrument 2021.

By order of the Board
24 June 2021

Annex A

Amendments to the Glossary of definitions

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

protected non-investment insurance distribution *insurance distribution activities* which are covered by the ~~compensation scheme~~ compensation scheme, as defined in *COMP 5.7.1R*.

Annex B

Amendments to the Compensation sourcebook (COMP)

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

1 Introduction and Overview

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1.3 Claimants

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

This Table belongs to *COMP* 1.1.3G

...		
Q2	How much compensation will I be offered?	
A2	This depends on whether your <i>protected claim</i> is:	
	...	
	(5)	a <i>claim</i> in connection with <i>protected non-investment insurance distribution</i> ; or <u>or</u>
	(6)	a <i>claim</i> in connection with <i>protected debt management business</i> .
Q3	How will the FSCS calculate the compensation that is offered to me?	
A3	Again, this will depend on whether your <i>protected claim</i> is:	
	...	
	(5)	a <i>claim</i> in connection with <i>protected non-investment insurance distribution</i> ; or <u>or</u>
	(6)	a <i>claim</i> in connection with <i>protected debt management business</i> .
		<i>COMP</i> 5.7
		<i>COMP</i> 5.8
		<i>COMP</i> 12.4.20R
		<i>COMP</i> 12.4.21AR
...		

...

5 Protected claims

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5.2 What is a protected claim?

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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)

...

(5) *COMP 5.6.2R*; ~~and~~

(6) *COMP 5.7.2R*; and

(7) *COMP 5.8.1R*.

...

8 Rejection of application and withdrawal of offer

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8.2 Rejection of application for compensation

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Limitation periods and claims extinguished by operation of law

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

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Dissolved companies

8.2.5 R For *claims* made in connection with *protected investment business*, ~~or~~ *protected non-investment insurance distribution*, *protected home finance mediation* or *protected debt management business* 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.

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9 Time limits on payment and postponing payment

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9.2 When must compensation be paid?

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

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- (2) in the case of a *claim* relating to *protected investment business* which is not an *ICD claim*, ~~or a *claim claim*~~ relating to *protected home finance mediation*, a *claim* relating to *protected non-investment insurance distribution* or a *claim* relating to *protected debt management business*, 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

...

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