



# The Financial Services Compensation Scheme (FSCS)

The Financial Services Compensation Scheme (FSCS) is the UK's statutory deposit insurance and investors' compensation scheme for customers of authorised financial services firms. This means that FSCS may pay compensation if a firm is unable, or likely to be unable, to pay claims against it. The FSCS exists to provide protection for eligible customers when a financial services firm fails. It is funded by the financial services industry and eligible customers can claim directly through FSCS without any charge.

The FSCS covers customer deposits and certain eligible investment business conducted by firms authorised by the UK regulators, the Financial Conduct Authority (FCA) and the Prudential Regulatory Authority (PRA).

The information below is relevant to deposit and investment products held with Lloyds Bank plc, Bank of Scotland plc, and Lloyds Bank Corporate Markets plc.

Different provisions and exclusions may apply to other areas of the Lloyds Banking Group.

## 1. For eligible deposits:

FSCS protection may apply for eligible deposits held by banks, building societies and credit unions that fail. This protection is limited to a maximum of £120,000 for each eligible person, per bank, building society or credit union or £240,000 for joint accounts on a per banking license basis. This means that if you have deposits with several banks, building societies or credit unions that share a banking license, you will only be protected up to the maximum of £120,000 or, for joint accounts, £240,000.

**Lloyds Bank plc, Bank of Scotland plc, and Lloyds Bank Corporate Markets plc each have separate banking licenses, and therefore the protection limit applies separately to each entity.**

In some cases, there may be certain eligible deposits that are categorised as 'temporary high balances' (such as proceeds from private property sale) and are protected above £120,000 for six months after the amount has been credited, or from the moment when such eligible deposits become legally transferable.

However, a deposit is excluded from protection if:

- (1) The holder and any beneficial owner of the deposit have never been identified in accordance with money laundering requirements.
- (2) The deposit arises out of transactions in connection with which there has been a criminal conviction for money laundering.
- (3) It is a deposit made by a depositor which is one of the following:
  - credit institution
  - financial institution



- investment firm
- insurance undertaking
- reinsurance undertaking
- collective investment undertaking
- pension or retirement fund<sup>1</sup>
- public authority, other than a small local authority.

(4) It is a deposit of a credit union to which the credit union itself is entitled.

(5) It is a deposit which can only be proven by a financial instrument<sup>2</sup> unless it is a savings product which is evidenced by a certificate of deposit made out to a named person and which existed in the UK, Gibraltar or a Member State of the EU on 2 July 2014).

(6) It is a deposit of a collective investment scheme which qualifies as a small company<sup>3</sup>.

(7) It is a deposit of an overseas financial services institution which qualifies as a small company<sup>4</sup>.

(8) It is a deposit of certain regulated firms (investment firms, insurance undertakings and reinsurance undertakings) which qualify as a small business or a small company<sup>5</sup> refer to the FSCS for further information on this category.

(9) It is not held by an establishment of a bank, building society or credit union in the UK or, in the case of a bank or building society incorporated in the UK, it is not held by an establishment in Gibraltar.

## 2. For investments:

The FSCS may, where advice has been provided, pay compensation to customers of authorised firms for certain investment businesses. Lloyds Bank plc, Bank of Scotland plc, and Lloyds Bank Corporate Markets plc do not provide advice in respect of investment business.

**Further information about the scheme (including eligibility to claim) can be obtained from our website and the FSCS website: [www.FSCS.org.uk](http://www.FSCS.org.uk) or by calling the FSCS on 020 7741 4100 or 0800 678 1100.**

<sup>1</sup> Deposits by personal pension schemes, stakeholder pension schemes and occupational pension schemes of micro, small and medium sized enterprises are not excluded

<sup>2</sup> As listed in Part I of Schedule 2 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, read with Part 2 of that Schedule

<sup>3</sup> Under the Companies Act 1985 or Companies Act 2006

<sup>4</sup> See footnote 3

<sup>5</sup> See footnote 3