

# Financial Services Compensation Scheme

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# Tuesday 6<sup>th</sup> May 2014

- Your bank's CEO has resigned blaming lack of controls & excessive bonuses paid to traders
- A rogue trader has lost £1 billion following trading in China
- A civil war has broken out in Nigeria

# Wednesday 14<sup>th</sup> May 2014

- The PRA have threatened an internal enquiry into the activities of your bank.
- Your application for £200,000 in a 90 day investment at 3% with your bank has been approved and your money has been successfully transferred
- Your bank cannot get access to the £2 billion loaned to a Nigerian bank

# Monday 2<sup>nd</sup> June 2014

- The PRA have written to your credit union asking for details of any accounts your credit union hold with your bank and levels of cash liquidity.
- Your Board have activated the 60 day rule on share withdrawals.
- Your staff & volunteers have resigned due to the high demand for member share withdrawals.

# Tuesday 3<sup>rd</sup> June 2014

- Your credit union has no liquid cash for withdrawal and no hope of recovering £115,000 of the £200,000 deposited with your bank.
- The PRA places your credit union under supervision and transfers you to the FSCS.

# Tuesday 3<sup>rd</sup> June 2014

- You are required to supply a SCV file to the FSCS within 72 hours and are warned that Directors of the Board will face negligence claims if you cannot produce the file in the permitted timescale.
- As a Director you face the risk of losing your home due to lack of diligence.

# Single Customer View

- SCV is defined as ‘a single, consistent view of an eligible claimant’s aggregate protected deposits with the relevant firm
- Deposit takers are required to provide the SCV file within 72 hours of a request being received from FSCS
- when requested by the FCA as part of ongoing regulatory monitoring activities; or where a firm is in default within 72 hours of a request being received from the FSCS

# FSCS Payouts

- Since 2001, it has come to the aid of more than 4.5m people by paying out £26bn in compensation.
- £4.5bn paid out to nearly 230,000 UK customers following Icesave collapse
- Between 12 September 2002 and 31 December 2013, 74 credit unions have failed in the UK. Over this period FSCS has paid out over £12.7m to 22,756 credit union depositors.



# How to make members aware

- Displaying posters or stickers on the windows of the branch
- Displaying posters in the branch
- Displaying stickers at teller windows
- Providing an FSCS leaflet on request to consumers.

# Who is not covered

- a body corporate (which includes a company, industrial and provident society, Royal Charter body, and statutory corporation) which has two or more of the following
  - ◆ more than £6.5 million turnover
  - ◆ more than £3.26 million balance sheet total
  - ◆ more than 50 employees
  
- an unincorporated association which has assets of more than £1.4 million

# What action would you take?

- A member's partner has informed you that the member has died. She has £700 in her share account.
- An annual statement you sent to a member has been sent back by the Post Office as the member has left the premises.
- You suspect a member has committed fraud with their account.

# Basic requirements

- Produce a Single Customer View (SCV) file detailing the members account number, address, share balance and aggregated balances for all accounts the member holds.
- Include NI number and date of birth where possible.
- You are responsible for the safe delivery of data if not using the Experian secure delivery service.
- Decide if the account is ‘Fit for straight through payment’ or not.
- Annotate each account with the relevant code.

# Directors responsibility

- We confirm that we, the Board of Directors of .....credit union, can provide an SCV file (i.e. the information required by COMP 17.2.3) to the FSCS within 72 hours of a request being received from the FSCS or FCA.
- Testing and maintenance of the SCV file.
- How they will ensure that they remain satisfied that the Deposit Taker's SCV system continues to satisfy the FCA's SCV requirements.
- The product types contained in the SCV file

# SCV File

cust_title	expfore	expsur	nino	cdate	addre	addre	addre	addre	addre	addre	postcod
MRS	BARBARA			✓							
MRS	BARBARA			✓							
MS	MARION			✓							
MS	MARY			✓							
MRS	JULIE			✓							

acc_no	acc_type	acc_holder	acc_status	acc_bal	aggr_bal	compensat
00003-001	DEPOSIT	001	Active	2010.17	2511.06	2511.06
08739-001	DEPOSIT	001	Active	500.89	2511.06	2511.06
00007-001	DEPOSIT	001	Active	1038.49	1038.49	1038.49
00185-001	DEPOSIT	001	Active	2325.38	2325.38	2325.38
00189-001	DEPOSIT	001	Active	38.53	38.53	38.53

Account status code (as shown on file)	Description(s)	Fit for Straight through payout (Yes /No) or Exclusion
<b><i>EXAMPLES</i></b>		
<b><i>GA</i></b>	<b><i>Gone Away</i></b>	<b><i>No</i></b>
<b><i>XN</i></b>	<b><i>Gone Away &amp; Fraud</i></b>	<b><i>No</i></b>
<b><i>A</i></b>	<b><i>Active and operating normally</i></b>	<b><i>Yes</i></b>
<b><i>F</i></b>	<b><i>Fraud</i></b>	<b><i>No</i></b>
<b><i>B</i></b>	<b><i>Beneficiary</i></b>	<b><i>Exclusion</i></b>

# Common Database Errors

- Punctuation in titles
- Misspelt towns (Newcaslte, Newcastel)
- No title (Mr, Mrs, etc)
- Hyphens and dashes
- Non eligible accounts
- Multiple accounts
- No date of birth



# Thursday 29<sup>th</sup> May 2014

- The PRA have intervened and withdrawn the deposit taking permission from your bank while it investigates allegations of corruption at your bank.
- Loan applications totalling £21,000 cannot be processed by your bank
- Withdrawal applications cannot be granted due to lack of access to cash.

# FSCS Training

■ <http://fscstraining.intuition.com/Signin.aspx>

Welcome Andrew Breese ■ My Profile ■ User Guide ■ Support ■ Sign Out

**fscs**  
Financial Services  
Compensation Scheme

**Home** My Learning My History


### Welcome

Hi Andrew Breese

Welcome to FSCS eLearning site in which you will be able to take your training and assessment for 'FSCS Deposit Takers - What you need to know.'

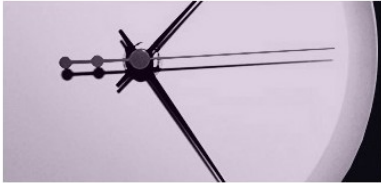
Once you have taken the course you can view your history by selecting 'My History' and can print your certificate by selecting 'My Profile'.

### My Learning



FSCS - Deposit Takers - What You Need To Know  
(launch the course from here)

### My History



To view your learning history choose **My History** from the navigation menu above or [Click here](#).