

**COMPENSATION SOURCEBOOK (PROTECTED DEPOSITS LIMIT)  
INSTRUMENT 2007**

**Powers exercised**

- A. The Financial Services 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 157(1) (Guidance);
  - (2) section 213 (The compensation scheme);
  - (3) section 214 (General).
- B. The rule-making powers listed above are specified for the purpose of section 153(2) (Rule-making instruments) of the Act.

**Commencement**

- C. This instrument comes into force on 1 October 2007.

**Amendments to the Handbook**

- D. The Compensation sourcebook (COMP) is amended in accordance with the Annex to this instrument.

**Citation**

- E. This instrument may be cited as the Compensation Sourcebook (Protected Deposits Limit) Instrument 2007.

By order of the Board  
28 September 2007

## Annex

### Amendments to the Compensation sourcebook

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

#### 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>16</u>	<u>COMP</u> <u>10.2.3R</u>	<u>R</u>	The change to the limit for <u>protected deposits</u> made by the Compensation Sourcebook (Protected Deposits Limit) Instrument 2007 does not apply in relation to a <u>claim</u> against a <u>relevant person that was in default</u> before 1 October 2007.	From 1 October 2007 indefinitely	<u>Amended with effect from 1 October 2007</u>

- ...
- 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*. Consequently, a claimant who has, for example, a *claim* against a *relevant person* for a ~~deposit of £2,000~~ in connection with *protected investment business* of £30,000, and for a further ~~deposit of £1,500~~ such *claim* of £20,000, will not receive 100% compensation ~~on both deposits~~ for both *claims*; instead he will receive £3,35048,000 (100% of the first £2,00030,000 and 90% of the next £1,50020,000). Similarly, if a claimant receives more than one payment in respect of a *claim* or *claims* on one or more *protected contract of insurance*, the claimant will receive 100% of the first £2,000 of the total paid, and not 100% of the first £2,000 of each payment.
- ...

10.2.3 R ...

Type of claim	Level of cover	Maximum payment
...	...	...
<i>Protected deposit</i>	<del>100% × first £2,000</del> <del>90% × next £33,000</del> <u>100% of claim</u>	<del>£31,700</del> <u>£35,000</u>

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