

Financial Services Authority

Financial Services Compensation Scheme

Feedback on CP58 and 'final' text

September 2001

About this newsletter

This newsletter provides a summary of FSA Policy Statement – Financial Services Compensation Scheme: Feedback on CP58 and 'final' text

- You can download the complete Policy Statement from the PS58 Resource Page – see details below

Alternatively, to order hard copies of the Policy Statement:

- Copies are available at £40 each
- Phone our helpline on 0845 608 2372, quoting reference PS58
- Please have your SRO Registration or Subscription number handy
- Please allow five working days for delivery

Useful links

PS58: Resource Page

<http://www.fsa.gov.uk/pubs/policy/ps/58/>

For information about FSA publications, please visit:

<http://www.fsa.gov.uk/pubs/>

For a full copy of the Policy Statement: Call 0845 608 2372 and quote PS58

Executive Summary

The compensation arrangement under the new regulatory regime has been subject to four separate consultations – CP5¹ which was issued before publication of the Financial Services and Markets Bill; CP24² which set out the key policy proposals; CP58³ which contained draft rules and CP86⁴ which contained draft funding rules.

This paper provides feedback on Consultation Paper 58, which set out the draft rules and guidance that will govern the operation of the Financial Services Compensation Scheme (FSCS). We received 49 responses to the consultation. No significant new points were raised in the consultation (although a number of respondents sought to reopen debate on policies already consulted upon) and we have not made any major policy changes.

The compensation scheme rules set out in Annex B are now in ‘final’ form. They have been approved by the Board of the FSA and we expect the Board to legally ‘make’ them in October 2001.

The transitional rules are the subject of a separate consultation. Status disclosure rules will not form part of the Compensation Sourcebook but will be addressed elsewhere in the FSA Handbook.

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- 1 CP5: Consumer Compensation (December 1997).
 - 2 CP24: Consumer Compensation: a further consultation (June 1999).
 - 3 CP58: Financial Services Compensation Scheme Draft Rules (July 2000).
 - 4 CP86: The Financial Services Compensation Scheme Draft Funding Rules were published in March 2001. The closing date for comment was 4 June 2001. Copies are available on the FSA website (www.fsa.gov.uk).

This policy statement reports on the main issues arising from the consultation on ‘Financial Services Compensation Scheme Draft Rules’ (CP58). It also contains the post-consultative version of the rules and guidance, which will apply in respect of the CP58 proposals.

Comments and enquiries

Dean Brennan
Consumer Protection Department
The Financial Services Authority
25 The North Colonnade
Canary Wharf
London E14 5HS

Telephone: 020 7676 0834
Fax: 020 7676 9713
E-mail: cp58@fsa.gov.uk

It is the FSA's policy to make all responses to formal consultation available for public inspection unless the respondent requests otherwise.

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The Financial Services Authority
25 The North Colonnade
Canary Wharf
London
E14 5HS

Main switchboard: 020 7676 1000
Fax: 020 7676 1099
Website: <http://www.fsa.gov.uk/>
PS58 Resource Page: <http://www.fsa.gov.uk/pubs/policy/ps/58/>
Email: ps58@fsa.gov.uk