



Professional Adviser Use Only

The information contained in this document is based on our understanding of FSCS rules & practice at the time of writing. Compensation limits are at the time of writing and are subject to change. This document is provided as a summary only; readers should refer to the FSCS website and publications. Whilst every effort has been made to ensure accuracy, no responsibility can be taken for actions taken, or refrained from being taken, as a result of this information.

Financial Services Compensation Scheme (FSCS)

The Financial Services Compensation Scheme (FSCS) covers firms that are authorised by the Financial Conduct Authority (FCA) or Prudential Regulatory Authority (PRA). It can pay compensation in the event of a 'default' of one of these firms. Firms that are not authorised by the FCA or PRA are not covered. Investments that are not authorised by the FCA are not covered; however, in the event of a default of a Self Invested Personal Pension (SIPP) Provider or Financial Adviser, compensation might be paid, even if the SIPP holds investments that are not authorised by the FCA.

Yorsipp Limited is the administrator of the Yorsipp SIPP, and is authorised by the FCA.

Default

For compensation to be paid, a firm has to be declared in default by the FSCS. This means that the FSCS is satisfied that it is unable, or likely to be unable, to pay claims against it.

Compensation Limits

There are different limits depending on the type of firm or investment. For a Yorsipp SIPP there can be various firms and investment types involved, and the limits for these, are:

Yorsipp Limited

Up to £85,000 if your SIPP incurs a loss in the event of Yorsipp Ltd being in default. The assets within the SIPP would not be affected, and these are covered separately, as detailed below.

Cash Deposits

Up to £85,000 per person, per firm in default. There is a limit of £1million for temporarily high deposits, for example if the proceeds of a property sale are held in a bank account before being reinvested or paid out. There are time limits on the protection for high deposits.

Insured Policies

There is no upper limit on compensation for an insured policy held by the SIPP, in the event of the default of the insurance company.

Investment Provider

Up to £85,000 per person, per firm in default.

Individual Investments

Up to £85,000 provided that the investment is authorised by the FCA. For example, a holding in a unit trust may be authorised, but shares or a commercial property are not.

Financial Adviser

Up to £85,000 per person per firm in default. If you make a claim against a financial adviser, any compensation paid will be in relation to a loss caused by the advice, so compensation may be available on investments not otherwise covered by FSCS.

Please note that the above limits apply for a firm or investment that failed on or after 1 April 2019. The limits are lower in some cases where the firm or investment failed before that date.

Making a claim

Claims must be made directly to FSCS. Full details are on their website at www.fscs.org.uk/

Their contact details are:

0800 678 1100 or 020 7741 4100

Financial Services Compensation Scheme
PO Box 300
Mitcheldean
GL17 1DY

Online contact form: <https://www.fscs.org.uk/contact-us/>