FSCS Guide to
Single Customer View (SCV)

UPDATED ON 14 SEPTEMBER 2016

Table of Contents

Introduction

Background

From 31 December 2010, the European Deposit Guarantee Schemes Directive (DGSD) required deposit guarantee schemes (i.e. FSCS in the UK) to pay out compensation within 20 business days of the default of a deposit taker.

Accordingly, the Financial Services Authority (FSA), the UK's previous regulator, introduced rules for the Financial Services Compensation Scheme (FSCS) and deposit takers to ensure eligible depositors will be compensated quickly if a deposit taker fails.

A key element of meeting these reforms was the requirement on deposit takers to develop a single customer view (SCV). The provision of an SCV provides FSCS with the information required to make a faster payout, with a payout target of seven days from default and in any event within the DGSD timeframes.

Since the rules were introduced, a small number of deposit taker defaults have occurred and in each instance, by using the SCV, FSCS has been able to make payment to eligible depositors in fewer than seven days.

A recast DGSD came into force on 3 July 2015 and as a result the Prudential Regulation Authority (PRA) (which took over from the FSA in April 2013) updated the Depositor Protection Rules. An up-to-date version of the rules is maintained by the PRA on its website at:

http://www.prarulebook.co.uk/rulebook/Content/Part/213751

The PRA's expectations for deposit takers are contained in a corresponding Supervisory Statement (SS18/15), available at:

http://www.bankofengland.co.uk/pra/Pages/publications/ss/2015/ss1815.aspx

Most of the new Depositor Protection Rules came into force on 3 July 2015, but many of the rules relating to new SCV and marking requirements (contained in Chapter 12-15 of the rules) will only come into force from 1 December 2016. Until then, a transitional SCV and marking regime will apply as set out in Chapters 49-52 of the rules.

Firms need to consider the Depositor Protection Rules in the context of all their wider regulatory requirements, for example, those set out in the PRA Rulebook and FCA Handbook, available at:

http://www.prarulebook.co.uk/
https://www.handbook.fca.org.uk/handbook

Contact Details

FSCS will make a copy of this document available on its website and will endeavour to notify relevant trade bodies when substantive updates are made.

If this document does not provide your firm with the information sought, deposit takers may email SCV related questions to:

fasterpayoutenquiries@fscs.org.uk

Please note that FSCS cannot provide legal advice and we will not comment on a particular firm's arrangements or compliance with regulatory requirements. However, we may be able point to what we consider to be relevant rules and guidance. We will endeavour to keep firms updated regarding the status of their queries.

Disclaimer

FSCS has produced this 'Guide to SCV' on its own initiative drawing on various queries that deposit takers have asked us to consider over the years. This guide supersedes and replaces FSCS's previous 'Faster Payout – Questions and Answers' document and all previous versions of this guide.

FSCS will endeavour to keep this document under review and to update it from time to time. This guide should not be relied on as legally definitive or conclusive or comprehensive.

The information contained in this document and any response that FSCS may provide to queries from deposit takers cannot be relied upon as demonstrating compliance with regulatory requirements, in particular with the Depositor Protection Rules, which are legally binding, or with the relevant PRA guidance as set out in the Supervisory Statement SS18/15.

FSCS cannot accept responsibility for any errors or omissions or any act arising from them. If deposit takers have any doubts about a particular regulatory requirement, they are strongly recommended to seek their own expert and legal advice.

Timings, reporting requirements, transmission and security

Submission of SCV files to FSCS

There are a number of instances when deposit takers must provide an SCV and (from 1 December 2016) an Exclusions Views file to FSCS:

- within three months of receiving a Part 4A permission to accept deposits; and
- upon request by the PRA or FSCS.

Depositor Protection Rules 14.3, 15.3, 49.4 and 51.4 set out that when a firm has a Material Change (e.g. following a merger, acquisition of a deposit book, or a new IT system) to its marking, SCV, Exclusions View, or continuity of access systems it must notify the PRA and FSCS.

Electronic SCV

At present, firms with fewer than 5,000 FSCS-eligible accounts are able to elect to maintain a paper-based SCV. From 1 December 2016 <u>all firms</u>, regardless of the number of FSCS-eligible accounts they hold, must be able to provide an electronic SCV file and must go through the SCV verification process with FSCS. The PRA give guidance on how to meet the electronic SCV requirements in supervisory statement SS18/15 – 'Depositor and dormant account protection'. See:

http://www.bankofengland.co.uk/pra/Pages/publications/ss/2015/ss1815.aspx

SCV Verification

The PRA confirmed in SS18/15 that minor changes to firms' SCV systems to implement changes required by the transitional rules would not be considered material changes, and so submission of the SCV file was not required in these circumstances. As such the PRA and the FSCS will not seek to verify all firms' SCV changes during the transitional period to December 2016, although firms will continue to be selected for review as part of the BAU process.

From 1 December 2016, when all firms will be required to have implemented full SCV requirements, the PRA and the FSCS will need to verify firms' SCV and Exclusions View files in relation to the new requirements, including firms implementing SCV for the first time and firms no longer subject to electronic SCV opt-out. To ensure a co-ordinated approach to verification, the PRA and the FSCS intend to verify files in a staggered process over several years.

Deposit takers remain subject to the requirement to submit their SCV and Exclusions View files following authorisation and upon request, and firms should be ready to submit files at any time in response to a request from the FSCS or the PRA.

Timings

Currently, firms have 72 hours to provide an SCV file following a request from FSCS or the PRA.

From 1 December 2016, firms must produce and submit their SCV and Exclusions View files within 24 hours, for both verification purposes and in the event of a default. This is to enhance depositor protection in resolution and supports continuity of access.

Reporting Requirements

The Depositor Protection Rules provide for a new 'SCV Effectiveness Report', which FSCS will request alongside an SCV.

The new report amalgamates the information previously provided in the 'Implementation Report' and 'SCV Report'. It contains additional fields to explain to FSCS how the firm has produced its SCV file. The template for the new SCV Effectiveness Report can be found at:

http://www.fscs.org.uk/industry/single-customer-view/

Transmission and Security

Deposit takers are required to provide details of their SCV transmission method or channel they wish to submit the SCV file to the PRA or FSCS in their SCV Effectiveness Report. FSCS will generally accept the following methods (subject to circumstances):

- Web portal upload (Logon to a secure FSCS webpage and upload a file);
- SFTP (Secure File Transfer Protocol); and
- Connect:Direct.

Deposit takers who have previously submitted their SCV to Experian via SFTP or Connect:Direct must update their connection settings as FSCS now only accept SCV submissions directly. Contact FSCS for further details on the revised connection settings.

FSCS considers security over the receipt, use and destruction of SCV files of paramount importance and takes appropriate steps to protect the personal details of consumers at all times. The SCV verification process is ISO 27001 certified. Queries regarding technical details about the information security controls in place may be sent by email to:

fasterpayoutenquiries@fscs.org.uk

Deposit takers should note that the requirement under the Depositor Protection Rules to provide an SCV to FSCS and PRA is a legal requirement. Under Section 35 of the Data Protection Act 1998, personal data are exempt from the non-disclosure provisions where the disclosure is required by law.

Data security issues are not a valid reason for lack of compliance by deposit takers with the strict legal timeframes for providing an SCV under the Depositor Protection Rules.

SCV file structure and format options

The information within an SCV is comprised of necessary information for FSCS to support a resolution. This includes relevant details for FSCS to identify deposit accounts to provide compensation to depositors, and to support execution of other resolution options, such as a transfer of accounts. The diagram below sets out at a high-level what information is required under the PRA rules:

Depositor details "Table A"	Address details "Table B"	Account details "Table C"	Compensation details "Table D"
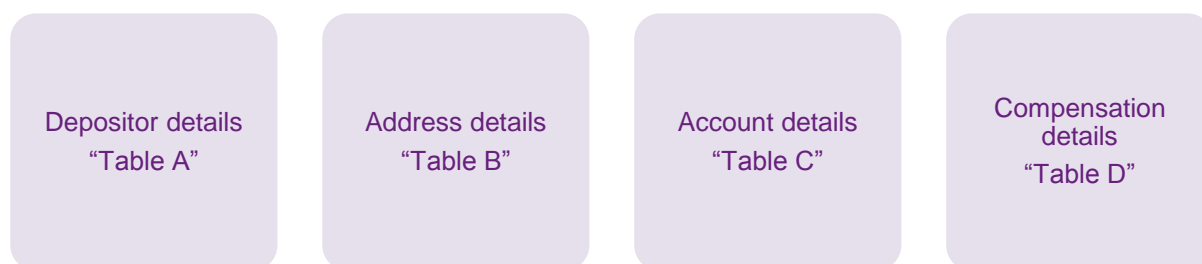
A unique depositor identifier called the SCV Record Number (or SCV ID) is required in all tables to link depositor information.

The depositor details (Table A) contains the information used by FSCS in identifying the depositor due any compensation. For the avoidance of doubt, this would be the payee on a compensation cheque. This must appear only once on the SCV for each depositor.

The contact details (Table B) contains the address to where the payment would be sent. This must appear only once on the SCV for each depositor.

The account details (Table C) contains all the account information for a depositor. For each depositor Table C could have multiple records depending on the number of accounts.

The aggregate balance (Table D) contains the compensation amount to be paid. This must appear only once for each depositor.

Single Customer View File Fields

Until 1 December 2016 deposit takers have the option to submit the SCV file in accordance with transitional SCV requirements (Depositor Protection Chapter 50). From 1 December 2016 the format will change to a standardised format, but FSCS can already accept the new format. The new format is explained as follows (please note the exact requirements are set out in Depositor Protection Rule 12.9):

TABLE A - DEPOSITOR DETAILS

Field No.	Field Name	Field Description	Data Type	Max. Field Length	Example Individual	Example Non-Individual	Contents Mandatory?
1	Single customer view record number	PRA Firm Registration Number (FRN) prefix followed by unique customer number.	Alphanumeric	100	12345600001215		Yes
2	Title	Title, only applicable for Individuals. Where the customer is not an individual, this field should be left blank.	Alpha	20	Mrs		If held
3	Customer first forename	First name of the customer, only applicable for Individuals. Where the customer is not an individual, this field should be left blank. Please note that firms will always be expected to hold the customer's first name, where that customer is an individual.	Alpha	50	Julie		Yes, for Individuals
4	Customer second forename	Second name of the customer, only applicable for Individuals to help distinguish between claimants with the same first name and surname Where the customer is not an individual, this field should be left blank. Where no such information is held, deposit takers should leave blank.	Alpha	50	Sarah		If applicable and the *Customer third forename field* is populated

5	Customer third forename	Third forename of the customer, only applicable for Individuals.	Alpha	50	Elizabeth		If applicable and if held
6	Surname [or company name or name of account holder]	Surname [or company name or name of account holder].	Alphanumeric	100	Leighton	McGill Plumbing Ltd.	Yes
7	Previous name	Any former name of the account holder, only applicable for Individuals. Where the customer is not an individual, this field should be left blank.	Alpha	200	Baines		If applicable and if held
8	National Insurance number	Only applicable for Individuals. Where the customer is not an individual, this field should be left blank.	Alphanumeric	9	HB123456V		If applicable and if held
9	Passport number	Only applicable for Individuals. Where the customer is not an individual, this field should be left blank	Alphanumeric	200	123456789		If applicable and if held
10	Other national identifier	Only applicable for Individuals. Where the customer is not an individual, this field should be left blank. • NID – National ID • DL – Driving Licence • O – Other or Unknown	Alphanumeric	3	NID or DL or O		Yes, if *Other national identity number* field is populated
11	Other national identity number	National identity number, of the type listed in the Other national identity field. Only applicable for Individuals. Where the customer is not an individual, this field should be left blank.	Alphanumeric	50	12345678		Yes, if *Other national identifier* field is populated

12	Company number	Company registration number or other business registration number [if applicable]. Only applicable for Companies. Where the customer is not a Company, this field should be left blank.	Alphanumeric	50		AB123456	If applicable and if held
13	Date of birth	Date of birth in DDMMYYYY format. Only applicable for Individuals. Where the customer is not an individual, this field should be left blank.	Numeric	8	13051980		If applicable and if held

TABLE B - ADDRESS DETAILS

Field no.	Field Name	Field Description	Data Type	Max. Field Length	Example UK	Example Non-UK	Contents Mandatory?
14	Single customer view record number	PRA Firm Registration Number (FRN) prefix followed by unique customer number.	Alphanumeric	100	12345600001215		Yes
15	Address line 1	Lines of address should be provided in consecutive address line fields.	Alphanumeric	100	100 Test Road	24 Crete Road	Yes
16	Address line 2	Lines of address should be provided in consecutive address line fields.	Alphanumeric	100	Stratford	Paris	Yes
17	Address line 3	Lines of address should be provided in consecutive address line fields.	Alphanumeric	100	London	Attica	Yes, if *Address line 4, 5* or *6* are populated
18	Address line 4	Lines of address should be provided in consecutive address line fields.	Alphanumeric	100			Yes, if *Address line 5* or *6* are populated
19	Address line 5	Lines of address should be provided in consecutive address line fields.	Alphanumeric	100			Yes, if *Address line 6* is populated
20	Address line 6	Lines of address should be provided in consecutive address line fields.	Alphanumeric	100			If held
21	Postcode	Required as minimum address details for UK address only.	Alphanumeric	30	E20 5XX		Yes for UK addresses
22	Country	Required as minimum address details for	Alpha	30		France	Yes for non-UK

		non-UK address only. Blank country field indicates UK address.				addresses
23	Email address	Email address	Alphanumeric	50	abc@def.co.uk	If held
24	Main Phone number	Phone number 1	Numeric	40	02033758347	If held
25	Evening phone number	Phone number 2	Numeric	40	02033758347	If held
26	Mobile phone number	Phone number 3	Numeric	30	07889681234	If held

TABLE C - ACCOUNT DETAILS

Field No	Field Name	Field Description	Data Type	Max. Field Length	Example	Contents Mandatory?
27	Single customer view record number	PRA Firm Registration Number (FRN) prefix followed by unique customer number.	Alphanumeric	100	12345600001215	Yes
28	Account title	Surname or company name, first name, any other account initials or middle name identifier.	Alphanumeric	50		No
29	Account number	Unique number for this account	Numeric	35		Yes
30	BIC	Business Identifier Code for the customer [if applicable and where held by the *firm*] ISO 9362	Alphanumeric	11	BOFSGB11	If applicable
31	IBAN	International Bank Account Number. ISO 13616	Alphanumeric	34		If applicable
32	Sort code	Sort code	Numeric	6	124578	If applicable
33	Product type	Firms must allocate products to one of the following categories: • Instant Access Accounts (including current accounts). • ISAs. • Notice accounts. • Fixed term deposits with a term of less than one year. • Fixed term deposits with a term of one year or more but less than two years.	Alphanumeric	5	IAA ISA NA FD1 FD2 FD4 FP4P Other	Yes

		• Fixed term deposits with a term of two years or more but less than four years. • Fixed term deposits with a term of four years or more.				
34	Product name	Name of the product.	Alphanumeric	50		Yes
35	Account holder indicator	The number of beneficial owners of the account. For accounts with a single owner, the field must show 001. For accounts with two joint owners, the field must show 002, and so on.	Alphanumeric	3	001 002 003	Yes
36	Account status code	Code to identify whether the account is fit for straight-through processing (FFSTP) or not fit for straight-through processing (NFFSTP). The code and its definition (of whether it signifies the account is FFSTP or NFFSTP) must be provided to FSCS in the SCV effectiveness report. If an account holder has multiple accounts, and one is deemed NFFSTP, then all of their other accounts must be deemed NFFSTP.	Alphanumeric	50		Yes
37	Exclusion type	Identify all of the following which apply: • The account contains or may contain eligible deposits to which the account holder is not absolutely entitled; • The account is a dormant account; • The account is an account for which the firm has received formal notice of a legal dispute or competing claims to the proceeds of the account; • The account appears on the "Consolidated list of financial sanctions targets in the United Kingdom" that is	Alphanumeric	6	BEN LEGDOR LEGDIS HMTS Only one flag should be used and in this precedence: 1) HMTS (if the depositor is sanctioned this flag should always to used). 2) LEGDIS (if the account is legally disputed this flag	Blank for SCV, mandatory for Exclusions View file

		maintained by HM Treasury or is otherwise subject to restrictive measures imposed by national governments or international bodies.			should always to used, unless it is sanctioned) 3) LEGDOR (if the depositor is legally dormant this flag should always to used, unless it is sanctioned and/or legally disputed) 4) BEN (if the account is a beneficiary account, this flag should always to used, unless it is sanctioned and/or legally disputed and/or legally dormant)	
38	Recent Transactions	Has there been any transaction relating to the deposit within the 24 months prior to production of the single customer view?	Alpha	3	Value of: Yes or No	Yes
39	Account Branch Jurisdiction	If the account is held in a branch outside the United Kingdom, please state in which jurisdiction the account is held. ISO 3166-1 Alpha-3.	Alpha	3	ATG	Yes, if branch outside the UK.
40	BRRD Flag	A firm must mark accounts which hold: 1) eligible deposits from natural persons and micro, small and medium-sized enterprises; and 2) deposits that would be eligible deposits from natural persons or micro, small and medium-sized enterprises if the deposit had not been made through a branch of the firm located outside the EEA	Alpha	3	Value of: Yes or No	Yes, except for credit unions.
41	Structured deposit	Whether or not the account is a structured deposit account where the account balance	Alpha	3	Value of: Yes or No	Yes

		accounts	is calculated in accordance with Depositor Protection Rule 12.11.				
42		Account balance in sterling	Account balance including any interest, at end of business on: • the date on which the deposit becomes an unavailable deposit; or • the date of request from FSCS or PRA as applicable. Do not include any non-numeric symbols such as commas or currency symbols (e.g. £). Where there is a negative balance, the amount should be preceded by a minus symbol ('-'). All balances must be rounded up to two decimal places.	Decimal (12,2)	15	10080.00	Yes
43		Authorised negative balances	The maximum negative balance on the account authorised by the firm, in sterling. Do not include any non-numeric symbols such as commas or currency symbols (e.g. £). All figures must be rounded up to two decimal places. If the account does not accept negative balances please insert 0.00. If the maximum negative balance authorised is e.g. £50, please insert 50.00, not -50.00. Maximum number of characters in field: 15	Decimal (12,2)	15	150.00	Yes
44		Currency of account	Currency in which the account is held. ISO 4217.	Alpha	3	EUR	Yes
45		Account	Do not include any non-numeric symbols	Decimal (12,2)	15	14000.00	Yes

		balance in original currency	such as commas or currency symbols (e.g. £). All balances must be rounded up to two decimal places. Where there is a negative balance, the amount should be preceded by a minus symbol ('-').				
46	Exchange rate	The exchange rate used to calculate the sterling balance. This must be the ratio of Sterling to the Currency of the account.	Decimal (19,9)	29	0.720		Yes
47	Original Account Balance before Interest	Do not include any non-numeric symbols such as commas, currency symbols (e.g. £). All balances must be rounded up to two decimal places. Where there is a negative balance, the amount should be preceded by a minus symbol ('-').	Decimal (12,2)	15	9500.00		Yes
48	Transferable eligible deposit	The portion of an eligible deposit up to and including the coverage level provided for in Depositor Protection Rule 4.2, identified in accordance with Chapter 13 and Rule 12.9.	Decimal (12,2)	15	10080.00		Yes, for SCV files

TABLE D - COMPENSATION DETAILS

Field No.	Field Name	Field Description	Data Type	Max. Field Length	Example	Contents Mandatory?
49	Single customer view record number	PRA Firm Registration Number (FRN) prefix followed by unique customer number.	Alphanumeric	100	12345600001215	Yes
50	Aggregate balance	In sterling across all accounts at end of business on: • the date on which the deposit becomes an unavailable deposit; or • the date of request from FSCS or PRA as applicable. Do not include any non-numeric symbols such as commas or currency symbols (e.g. £). All balances must be rounded up to two decimal places. Should the aggregate balance be negative, this field should be recorded as 0.00	Decimal (12,2)	15	125000.00	Yes
51	Compensatable amount	The amount to be compensated subject to the limit check that must be performed by the firm pursuant to Depositor Protection Rule 12.7(2) (this could be lower than the aggregate balance across all accounts if this exceeds the compensation limit). For beneficiary accounts provided in the Exclusions View file, it may not be possible to calculate this amount, as the	Decimal (12,2)	15	75000.00	Yes, for SCV files

beneficiary/beneficiaries may be unknown and this field may be left blank.

Do not include any non-numeric symbols such as commas or currency symbols (e.g. £). All balances must be rounded up to two decimal places.

Should the compensatable amount be negative, this field should be recorded as 0.00.

All fields must be provided to FSCS where they are held by the firm. Fields must appear in the same order set out in Depositor Protection Rule 12.9.

Deposit takers are required to provide a description of their SCV file format in the SCV effectiveness report.

Where a firm prepares both an SCV and an Exclusions View file for the same depositor, the "unique customer identifier" on both the SCV and the Exclusions View file must be the same.

Multiple Accounts

Where a depositor holds more than one account, the section of the SCV and Exclusions View file which sets out "Details of account(s)" must be completed for each account held.

Treatment of Interest

The amount inserted into each SCV and Exclusions View file as the account balance and aggregate balance across all accounts, must be the total of principal plus any interest or premium attributable, up to the compensation date (or the date on which the PRA or FSCS requests the firm to provide the SCV and Exclusions View file in accordance with Depositor Protection Rule 12.2).

Where the account is a structured deposit account, where the investment return cannot be calculated until the maturity date, e.g. the return is based on growth of an index, the figure in the account balance field must be;

- the total of the principal;
- any attributable contractual minimum return; and
- any interest accrued to the product start date.

Treatment of In-flight Transactions

A firm must ensure that the amount inserted into each SCV and Exclusions View file as the account balance, includes any payment made to the depositor for which value has been credited to the depositor's account. This is regardless of whether the firm has received the value itself. A firm must ensure that the amount inserted into each SCV and Exclusions View file as the account balance excludes any payment sent by the depositor which has been debited from the depositor's account. This is regardless of whether the firm has sent the value itself.

Payments debited from a depositor's account should be excluded from the SCV and Exclusions View file, regardless of whether the firm has sent the value itself. However, where possible, payments debited that have not yet been entered into the payment system should be reapplied to a depositor's account. For example, amounts debited may have been credited to an internal suspense account. This will

then form part of a depositor's compensation balance in the SCV or Exclusions View file.

Completion of SCV/Exclusions View File

At the end of the SCV file and Exclusions View file, the firm must include a file footer indicating that the file is complete. The file footer must contain the figure "9" repeated 20 times. The file footer must appear at the end of the complete file containing the SCV or Exclusions View file for all depositors after the last record.

Missing Data

Where firms do not hold the data required to be included in the SCV and Exclusions View file, corresponding fields in the SCV and Exclusions View files should remain empty. Even if these fields are empty, the PRA expects these fields to remain in the SCV file and the Exclusions View file, so that the files have an identical structure. Fields should always appear in the same order set out in Deposit Protection Rule 12.9.

Acceptable Format

From 1 December 2016 deposit takers are required to confirm that their SCV files are compatible and in a standardised format. This will help reduce ambiguity for firms, reduce the need for manual processing by FSCS and facilitate faster payout.

The acceptable formats are:

- **Format one:** Deposit Takers must send through the information in four files. File one contains 'Depositor details', file two must contain 'Contact details', file three must contain 'Details of account(s)' and file four must contain 'Aggregate balance details'.

- **Format two:** Deposit Takers must send through the information in two files. One file containing 'Depositor details', 'Contact details' and 'Aggregate balance details' and one file containing the 'Details of account(s)'.

- **Format three:** Deposit Takers must send through one file which contains 'Depositor details', 'Contact details', 'Details of account(s)' and 'Aggregate balance details'.

For all of these formats a 'single line format' should be used. This means that depositor information should be kept on the same row. Where depositors have more than one account, this information must be on separate lines.

Where there is more than one file each depositor should be linked with a unique identifier (SCVID). For file types which do not automatically separate fields a '|'

should be used as a delimiter. For example, this would apply to .txt or .csv but not .xlsx files.

File names should follow the format:

- FRNxxx-YYYYMMDDHHMMSSSCVFormatW.xxx for a SCV file; or
- FRNxxx-YYYYMMDDHHMMSSEXCFormatW.xxx for an Exclusions View file.

Firms should insert their FRN number in place of 'FRNxxx' and the date and time that the SCV file was created in place of 'YYYYMMDDHHMMSS'. 'FormatW' must be replaced with information about what is contained within the file according to the following:

- For format one, this should be four files called 'Depositordetails', 'Contactdetails', 'Detailsofaccount' and 'Aggregatebalancedetails'.
- For format two, this should be called 'Detailsofaccount' and 'Depositorandaccountinformation'.
- For format three, this should be called 'Full'.

Depositor details

The minimum name requirements for individual depositors are first forename and surname fields populated.

For non-individuals (such as companies, associations and charities etc.) the surname field only must be populated.

Any depositor records that do not have the minimum name requirements should be flagged as 'not fit for straight through payout' by the appropriate account status code. When a depositor does not have a surname, such as Arabic names, we would expect their ancestry to be placed in the surname field.

First forename and surname information must be provided in the separate relevant fields and any additional names, with the exception of double-barrelled names, should be placed into separate forename fields.

FSCS recommend that deposit takers always include the 'date of birth' in the SCV file, but from 1 December 2016, the 'date of birth' field will be mandatory (if applicable and where held by the firm).

To ensure that all depositor details stored on FSCS systems are accurate for claims processing, firms must remove all generic (date of birth, NINs etc.) or 'dummy' data from the SCV file. If depositor specific data is not held, the field should be left blank.

Address details

All depositor records must have minimum address requirements in order for FSCS to post compensation cheques. These are:

- 'Address Line 1', 'Address Line 2' and 'Postcode' for UK addresses; and
- 'Address Line 1', 'Address Line 2' and 'Country' for non-UK addresses.

Where details are unknown, the account must be marked as 'not fit for straight through payout' (NFFSTP). The required address information should be collected during customer on-boarding and regularly updated.

Deposit takers should always have a record of depositors' addresses as part of their anti-money laundering and 'know your client' checks. The expectation is that the number of NFFSTP cases will therefore be very low in practice.

Account details

Where firms provide deposits in foreign currencies, balances should be converted into Sterling and be included as part of the depositor's aggregated balance for compensation. The new SCV file format requires firms to report the details of the conversion and original currency.

The Depositor Protection Rules require that the exchange rate as at the default date is used when converting foreign currency accounts into Sterling, but do not require a particular exchange rate to be used. However, FSCS recommends the Bank of England's spot rate on the date of default to be appropriate.

Deposit takers can find the relevant exchange rates at the website below and should note that the rate for a certain day is not published until the morning of the following day.

http://www.bankofengland.co.uk/statistics/index.htm

FSCS asks deposit takers to provide the exchange rate and source of the exchange rate used in their SCV effectiveness report.

Account Holder Indicator

The Account Holder Indicator is used to check that all named account holders owners of an account are included on the SCV file. It is also to confirm that the split or apportionment of the overall account balance has been applied consistently to the account.

The Account Holder Indicator field should be populated as laid out in the examples below:

- If there is one account holder: '001' should be populated in the Account Holder Indicator field for the account holder.
- If there are two account holders: '002' should be populated in the Account Holder Indicator field for both account holders.
- If there are three account holders: '003' should be populated in the Account Holder Indicator field for all three account holders.
- If there are four account holders: '004' should be populated in the Account Holder Indicator field for all four account holders, etc.

Account Status Code

FSCS uses the Account Status Code field to help determine the appropriate treatment for SCV records and accounts. All account status codes are applied at the account level. FSCS recognises that different deposit takers will have a variety of 'codes or keys' that are applied to accounts for a range of reasons. For example, a 'gone away' key or code can be used to flag depositors a deposit taker has lost contact with. Other 'not fit for straight through payout' accounts will be flagged with

other relevant key or code that allows FSCS to identify and prevent automated payout.

Rule 12.4 requires deposit takers to provide an explanation of the different keys and codes to the account status field in the SCV file. The explanatory details of these used by each deposit taker should be contained in the SCV effectiveness report submitted to the PRA. FSCS's expectation is that account status codes are consistent across all accounts linked to an SCV ID.

Fit for Straight Through Payout

An account that is deemed 'fit for straight through payout' (FFSTP) should not require any additional checks on the completeness or accuracy of the SCV record. Therefore, as a general rule, if a firm is satisfied to pay a depositor the balance of their account without any additional checks or data gathering being required, this would be considered an account 'fit for straight through payout' (provided the depositor is also eligible for compensation).

FFSTP accounts will proceed directly to payout without manual intervention and the depositor receives compensation within seven days.

Conversely records that cannot be paid without a manual review are called 'not fit for straight through payout' (NFFSTP). This could include depositors that are:

- Gone away or returned post.
- Meets the firm's internal definition of dormancy (but does not meet the legally dormant definition). As a general rule, FSCS expect firms' internal definition of dormancy to be at least 2 years of no customer initiated transactions.
- Correspondence requires special modifications such as braille letter, large print, audio letter etc.
- 'Care of' or C/O addresses.

Firms should not use descriptive keywords on the SCV file to identify FFSTP or NFFSTP records. Account status should be indicated by the account status code only.

# Eligibility

Eligibility of Depositors

The Single Customer View, or SCV, is defined as a "single, consistent view of depositors' aggregate eligible deposits with a firm which contains the information set out in…[the rules]". The SCV should exclude those accounts included in the Exclusions View file.

The Exclusions View file contains the same information but is limited to accounts which hold any funds to which the depositor is not absolutely entitled, e.g. a Trust account or Pension Fund account, or to accounts which are not active. Note that these accounts may or may not be eligible for compensation, i.e. they are 'excluded' from the SCV file, but may not be 'excluded' from receiving compensation.

Accounts which are ineligible for compensation (e.g. deposits excluded under Depositor Protection Rule 2.2(4), such as those belonging to some financial services firms) should be included in neither the SCV nor the Exclusions View file.

The SCV file provided to FSCS must only contain eligible depositors. However, FSCS (and the Insolvency Practitioner) will need access to all customer data to deliver FSCS's statutory responsibilities.

The diagram below sets out the different accounts and how they should be treated:
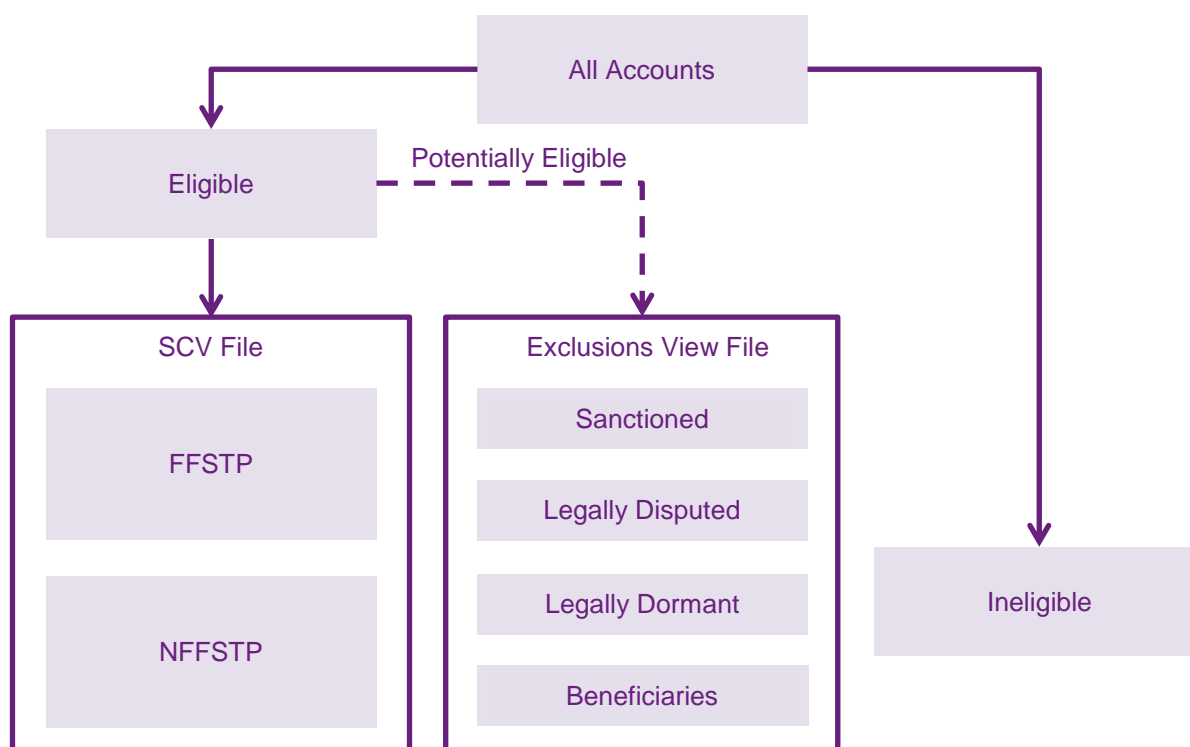
Accounts must be broken down in a number of ways to understand how they should be treated on the SCV file. Firstly, they should be categorised as either:

- Eligible (or potentially eligible); or
- Ineligible.

Ineligible accounts are those where the depositor is not eligible for compensation as set out in Chapter 2 of the Depositor Protection rules, in particular under rule 2.2(4).

Eligible (or potentially eligible) accounts need to be separated into:

- those included in the SCV file; and
- those marked as exclusions for the purposes of field 37 of the SCV table in Depositor Protection Rule 12.9, which are to be included on the Exclusions View file.

The SCV file accounts should be marked as either:

- 'fit for straight through payout' (FFSTP); or
- 'not fit for straight through payout' (NFFSTP).

FFSTP records will be paid compensation by FSCS within seven days

NFFSTP records may not be paid compensation by FSCS within seven days (if, for example, there are insufficient address details for posting or if the accountholder is deceased)

Identifying Depositors

The rules require deposit takers to be able to provide FSCS with an SCV file that contains only eligible depositors, so there is no "eligibility" field in the SCV table. Deposit takers must be able to identify which accounts are held by eligible depositors and flag separately those which are potentially eligible (included in the Exclusions View file). Please see our Exclusions View file section for more information.

In addition to their systems being able to identify eligible depositors, deposit takers should take reasonable steps to check whether the depositors qualify as SMEs and small local authority depositors (with an annual budget of up to €500,000) on at least an annual basis.

Note the relevant definition of an SME for the purposes of the BRRD marker in the SCV table is by reference to the annual turnover criterion as set out in Article 2(1) of the Annex to Commission Recommendation 2003/361/EC, i.e. an annual turnover not exceeding EUR 50 million.

It is acceptable for firms to rely upon a reasonable estimate provided by the local authority of its annual budget, which could for example be based on the previous year's budget. The PRA expects a firm to take reasonable steps to ascertain a local

authority's budget, but where a firm has been unable to determine if a local authority is eligible, it should be treated as a public authority (i.e. not eligible).

Changes to Eligibility

The recast DGSD extended eligibility to all corporate accounts regardless of size and this means medium and large corporate accounts are now eligible for FSCS coverage. Accounts belonging to medium and large corporate accounts became eligible from 3 July 2015 and must be aggregated and included within the SCV file from December 2016. Eligible deposits of small local authorities (with an annual budget of up to €500,000) also became eligible for protection from 3 July 2015.

Credit Unions are now classed as credit institutions for the purposes of the Depositor Protection Rules, so their deposits with other credit institutions are no longer covered.

There remain some deposits which are not eligible for compensation and therefore must not appear in the SCV or Exclusions View file:

- a deposit made by another credit institution on its own behalf or for its own account (including a credit union's own deposit);
- own funds;
- a deposit arising out of a transaction in connection with which there has been a criminal conviction for money laundering;
- a deposit by a financial institution;
- a deposit by an investment firm;
- a deposit the holder and any beneficial owner (as defined in regulation 6 of the Money Laundering Regulations 2007) of which has not, at the compensation date had their identity verified in accordance with regulation 9 of the Money Laundering Regulations 2007 (or equivalent EEA requirements);
- a deposit by an insurance undertaking or a reinsurance undertaking;
- a deposit by a collective investment undertaking;
- a deposit by a pension or retirement fund (but excluding deposits by personal pension schemes, stakeholder pension schemes and occupational pension schemes of micro, small or medium-sized enterprises);
- a deposit by a public authority, unless it is a small local authority;
- a debt security issued by the DGS member and any liabilities arising out of own acceptances and promissory notes.

These exclusions are set out in Rule 2.2(4) of the Depositor Protection Rules, which includes hyperlinks to the relevant regulatory definitions.

The exclusions in relation to deposits held by financial services firms only apply to some authorised firms (e.g. financial services firms with certain types of permission). Deposit-takers should check with the PRA as to what checks they should carry out to ascertain whether a depositor who is a financial services firm falls within one of the relevant exclusions in rule 2.2(4).

Products Eligibility

FSCS cannot advise deposit takers on the eligibility of particular products. Firms must seek their own independent legal advice.   Please note that a deposit for the purposes of the Depositor Protection Rules is defined in Rule 1.4 as:

(1) a credit balance which results from funds left in an account or from temporary situations deriving from normal banking transactions and which a credit institution is required to repay under the legal and contractual conditions applicable, including a fixed-term deposit and a savings deposit, but excluding a credit balance where:
  a. its existence can only be proven by a financial instrument as defined in MiFID II, unless it is a savings product which is evidenced by a certificate of deposit made out to a named person and which exists in a Member State on 2 July 2014;
  b. its principal is not repayable at par; or
  c. its principal is only repayable at par under a particular guarantee or agreement provided by the credit institution or a third party;
(2) a share in a building society, excluding a deferred share;
(3) a share in a credit union, excluding a deferred share; or
(4) a share in a Northern Ireland credit union, excluding a deferred share.

Products that do not meet this definition are not 'deposits' (whether or not they meet the eligibility criteria in Rule 2.2(4) as set out in the section above) – they are not eligible for compensation from FSCS and should not be included in either the SCV or Exclusions View files.

Note, particularly with regard to Sharia compliant deposit products, that the credit balance must be repayable at par (i.e. there must be capital certainty) in order for it to qualify as a 'deposit', which will depend on the terms and conditions of the product in each case.

Balance Calculations

This section deals with questions about calculating an aggregate balance. When a depositor is eligible all their deposit balances should be included in the firms' SCV and Exclusions View files.

A depositor's debts and liabilities are not set off against any positive balances held with the same authorised deposit taker. Gross payout helps speed up payment and also ensures that eligible depositors will not lose liquidity in the event of a default.

Negative balances such as overdrafts, credit cards and most types of "off-set" mortgage accounts should not be off-set against the compensatable balance. PRA rules do make provision for overdraft balances to be recorded in the SCV for continuity of access purposes. These negative balances will not be taken into account for the purposes of calculating FSCS compensation, and should not be included in the calculation of aggregate deposits or the compensatable amount.

Where an eligible depositor has a zero balance on one of their accounts within the SCV, this should be included in the SCV. If a depositor has only one account, with a zero balance, this should also be included in the SCV file.

The total of a depositor's account balances (except negative balances) must always match their aggregate balance - even when there are rounding differences for joint accounts.

Compensation Limit

On 3 July 2015, the PRA set the new compensation limit at £75,000 in accordance with the recast DSGD requirements, with immediate effect. The transition period (which maintained the £85,000 compensation limit for some types of depositors) came to an end on 31 December 2015.

Depositor Protection Rule 12.7 requires deposit takers to ensure that their systems are capable of performing a 'limit check'. Such a facility will enable a deposit taker's system to identify automatically a particular depositor's compensation entitlement, i.e. the actual figure FSCS will pay out in accordance with Depositor Protection rules.

Deposit takers should note that Depositor Protection Rule 14.8 (51.7 until December 2016) requires the SCV effectiveness report to include an explanation of how the limit check has been applied.

Temporary High Balances

Temporary high balances (THBs) are balances over the compensation limit that relate to certain 'life events'. Examples are money resulting from a house sale, divorce settlement or an inheritance.

The SCV does not need to flag where a THB exists. THBs will be identified by FSCS as part of a post-default manual application process.

Co-operation with the Union

Where a deposit taker fails that has branches in another EU member state, the home state Deposit Guarantee Scheme must instruct the host state Deposit Guarantee Scheme to make payments on its behalf. To enable this, UK deposit takers must identify those accounts that are branched to another member state, and be able to identify in which country the branch is located.

The fields that need to be included in the SCV from 1 December 2016 to meet this requirement are:

Field Name	Field Description	Data Type	Max. Field Length	Example	Contents Mandatory?
Account Branch Jurisdiction	If the account is held in a branch outside the United Kingdom, please state in which jurisdiction the account is held. ISO 3166-1 Alpha-3 or alternative code if ISO 3166-1 is unavailable.	Alpha	3	ATG	Yes, if branch outside the UK.
Currency of account	Currency in which the account is held. ISO 4217.	Alpha	3	EUR	Yes
Account balance in original currency	Do not include any non-numeric symbols such as commas or currency symbols (e.g. £). All balances must be rounded up to two decimal places.	Numeric	15	14000	Yes
Exchange rate	The exchange rate used to calculate the sterling balance.	Numeric	29	0.720	Yes

Exclusions

The recast DGSD introduced new categories of accounts where repayment may be deferred beyond the standard payout deadline. The PRA's rules give effect to these changes requiring firms to 'exclude' the following categories of eligible deposits from the SCV file:

Not Active - Legally Dormant

- A legally dormant account is considered not active. The definition of dormancy comes from 'the Dormant Bank and Building Society Accounts Act 2008 (DBBSAA 2008)'. Legally Dormant accounts are accounts that meet the specific definition of being 15 years inactive. This means there has been no depositor initiated transaction in the last 15 years (excluding any interest or dividends).

Not Active - Legally Disputed

- Legally Disputed Accounts are accounts for which the firm has received formal notice of a legal dispute or competing claims to the proceeds of the account.

- A depositor can have an individual account in the SCV file and a joint account with their spouse (or other) as legally disputed in the Exclusions View file. Legal disputes can also be on accounts where the dispute involves someone who is not an account holder.

Not Active – Sanctioned

- Sanctioned accounts are where the depositor is subject to restrictive measures imposed by national governments or international bodies.

- As it is the individual that is sanctioned, all accounts belonging to the individual must be marked as exclusions and contained in the Exclusions View file. Sanctioned individuals must not have any records in the SCV file.

Beneficiary Accounts – accounts where the account holder is not absolutely entitled.

- All accounts where the named account holder is holding funds on behalf of or for the benefit of another person, such as trust accounts or client accounts, should be excluded from the SCV and included on the Exclusions View file. Payout for these accounts is expected within 20 calendar days.

- Deposits within beneficiary accounts may be eligible for FSCS compensation. However, identification of the underlying beneficiary and their entitlement to compensation may not be immediately identifiable and as such should be included on the Exclusions View file and not the SCV file. It is possible for a child to have an SCV record in the SCV file, and a separate Child Trust Fund which is excluded as a beneficiary account.

Exclusions View File

From 1 December 2016, deposit takers must be able to produce a file with these types of accounts. This file is called the Exclusions View file. The structure of this file is the same as the SCV structure, but includes some changes to the fields for beneficiary accounts given the nature of these accounts. The 'single customer view record number' as set out in proposed Depositor Protection 12.9 field 1 should apply across both files. The Exclusions View file must be delivered alongside the SCV file in both verification and default contexts. These new requirements will enable FSCS to pay out the accounts in the Exclusions View file, where appropriate, in line with DGSD requirements. If a firm does not have any accounts or balances which are required to be included within an Exclusions View file, the firm must provide confirmation of this to the FSCS.

Note that accounts in the Exclusions View file may or may not be eligible for compensation, i.e. they are 'excluded' from the SCV file, but may not be 'excluded' from receiving compensation. Accounts which are ineligible for compensation (e.g. deposits excluded under Depositor Protection Rule 2.2(4), such as those belonging to some financial services firms) should be included in neither the SCV nor the Exclusions View file.

Annex A – Glossary of Terms

compensation recipient
> means the person to whom FSCS is required to pay compensation

covered deposit
> means the part of an eligible deposit that does not exceed the coverage levels

deferred share
> in relation to a credit union, means any share of a class defined as a deferred share (see section 31A Credit Unions Act 1979)

deposit
> means:
>> (1) a credit balance which results from funds left in an account or from temporary situations deriving from normal banking transactions and which a *credit institution* is required to repay under the legal and contractual conditions applicable, including a fixed-term deposit and a savings deposit, but excluding a credit balance where:
>>> a. its existence can only be proven by a financial instrument as defined in MiFID, unless it is a savings product which is evidenced by a certificate of deposit made out to a named person and which exists in a Member State on 2 July 2014;
>>> b. its principal is not repayable at par; or
>>> c. its principal is only repayable at par under guarantee or agreement provided by the *credit institution* or a third party
>> (2) a share in a building society, excluding a deferred share
>> (3) a share in a credit union, excluding a deferred share
>> (4) a share in a Northern Ireland credit union

depositor
> means the holder or, in the case of a joint account, each of the holders, of a deposit

DGS member
> means:
>> (1) a UK bank
>> (2) a building society
>> (3) a credit union
>> (4) a Northern Ireland credit union; or
>> (5) an overseas firm that is not an incoming firm and has a Part 4A permission that includes accepting deposits; and which is not a member of a non-UK scheme

DGSD

means Directive 2014/49/EU of the European Parliament and of the Council of 16 April 2014 on deposit guarantee schemes (recast)

dormant account

has the meaning given in Section 10 of the Dormant Bank and Building Society Account Act 2008

eligible deposit

has the meaning given in Chapter 2 of the Depositor Protection Rules

exclusions file

means a single, consistent view of a *depositor*'s aggregate *eligible deposits* with a *firm* which contains the information set out in Rule 12.9 limited to accounts which:

(1) hold any funds to which the *depositor* is not absolutely entitled; or

(2) are *not active:*

a) is a *dormant account*; or

b) is an account for which the *firm* has received formal notice of a legal dispute or competing claims to the proceeds of the account; or

c) is an account owned or controlled by a person whose name appears on the "Consolidated list of financial sanctions targets in the United Kingdom" that is maintained by HM Treasury or which is otherwise subject to restrictive measures imposed by national governments or international bodies.

in default

describes the status of a *firm* following a determination that its *deposits* are *unavailable deposits*

joint account

means an account opened in the name of two or more persons or over which two or more persons have rights that are exercised by means of the signature of one or more of those persons

micro, small and medium-sized enterprises

means micro, small and medium-sized enterprises as defined with regard to the annual turnover criterion referred to in Article 2(1) of the Annex to Commission Recommendation 2003/361/EC

money laundering

has the meaning given in Article 1(2) of the *money laundering directive (*Directive 2005/60/EC of 26 October 2005*)*

Northern Ireland credit union
> means a *firm* which is either a society registered under the Credit Unions (Northern Ireland) Order 1985 or a society registered under the Industrial and Provident Societies Act (Northern Ireland) 1969 as a credit union

not active
> an account is not active if it:
> > (1) is a *dormant* account; or
> > (2) is an account for which the *firm* has received formal notice of a legal dispute or competing claims to the proceeds of the account; or
> > (3) is an account owned or controlled by a person whose name appears on the "Consolidated list of financial sanctions targets in the United Kingdom" that is maintained by HM Treasury or which is otherwise subject to restrictive measures imposed by national governments or international bodies

occupational pension scheme
> has the meaning given in article 3(1) of the *Regulated Activities Order (*"the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544)"*)*

personal pension scheme
> has the meaning given in article 3(1) of the *Regulated Activities Order*

single customer view
> means a single, consistent view of depositors' aggregate *eligible deposits* with a *firm* which contains the information set out in Rule 12.9, but excludes from view those accounts detailed in the *Exclusions View file*

SCV effectiveness report
> *m*eans a report from a *firm*'s board of directors confirming that the *firm*'s SCV system satisfies the SCV requirements

SCV requirements
> means the requirements on *firms* set out in Chapter 11 of the Depositor Protection rules

SCV system
> means a firm's system for satisfying the *SCV requirements*

small self-administered scheme
> means an *occupational pension scheme* of a kind described in article 4(4) and 4(5) of the Financial Services and Markets Act 2000 (Carrying on Regulated Activities by Way of Business) Order 2001 (S12001/1177)

stakeholder pension scheme
>   has the meaning given in article 3(1) of the *Regulated Activities Order*

temporary high balance
>   means, in relation to a depositor who is an individual, that part of an eligible deposit in excess of the compensation limit which meets the additional criteria set out in Rule 10.2

transferable eligible deposit
>   means the portion of an eligible deposit up to and including the coverage level provided for in Rule 4.2, identified in accordance with Chapter 13 and Rule 12.9

Annex B – Definition of protected deposits

This is not formal guidance and should not be relied upon as demonstrating compliance with PRA rules.

The Depositor Protection Rules define a *deposit* as:

(1) a credit balance which results from funds left in an account or from temporary situations deriving from normal banking transactions and which a credit institution is required to repay under the legal and contractual conditions applicable, including a fixed-term deposit and a savings deposit, but excluding a credit balance where:
   a) its existence can only be proven by a financial instrument as defined in MiFID, unless it is a savings product which is evidenced by a certificate of deposit made out to a named person and which exists in a Member State on 2 July 2014;
   b) its principal is not repayable at par; or
   c) its principal is only repayable at par under a particular guarantee or agreement provided by the credit institution or a third party.
(2) a share in a building society, excluding a deferred share
(3) a share in a credit union, excluding a deferred share
(4) a share in a Northern Ireland credit union

The requirements for an *eligible deposit* are set out in Chapter 2 of the Depositor Protection rules. In particular:

A deposit is an eligible deposit only if it is held by:

(1) a UK establishment of a DGS member; or
(2) a branch of a DGS member established in another EEA state under an EEA Right.

A deposit is, subject to the other rules in Chapter 2, an eligible deposit if it is held by a firm which:

(1) had a Part 4A permission to accept such deposits at the time the deposit was accepted but no longer has permission to accept eligible deposits, or is subject to a requirement preventing it from doing so; and
(2) is not now a member of a non-UK scheme.

A deposit is held by a UK establishment or a branch if it is assigned by the firm to an account of that UK establishment or that branch.

Examples of types of product that are typically eligible deposits are:

- Current accounts
- Notice accounts
- Savings accounts
- Cash ISAs

- Deposit accounts
- TESSA roll over accounts
- Fixed term deposit accounts

IMPORTANT: This list is not exhaustive and is provided for indicative purposes only. Deposit takers should take their own expert advice to ensure they understand and apply the PRA rules.

Some deposits are not eligible for compensation:

- A deposit made by another credit institution on its own behalf or for its own account.
- Own funds.
- A deposit arising out of a transaction in connection with which there has been a criminal conviction for money laundering.
- A deposit by a financial institution.
- A deposit by an investment firm.
- A deposit the holder and any beneficial owner (as defined in regulation 6 of the Money Laundering Regulations 2007) of which has not, at the compensation date had their identity verified in accordance with regulation 9 of the Money Laundering Regulations 2007 (or equivalent EEA requirements).
- A deposit by an insurance undertaking or a reinsurance undertaking.
- A deposit by a collective investment undertaking.
- A deposit by a pension or retirement fund (but excluding deposits by personal pension schemes, stakeholder pension schemes and occupational pension schemes of micro, small or medium-sized enterprises).
- A deposit by a public sector entity, unless it is a small local authority (budget < €500,000).
- A debt security issued by the DGS member and any liabilities arising out of own acceptances and promissory notes.

These exclusions are set out in Rule 2.2(4) of the Depositor Protection Rules, which includes hyperlinks to the relevant regulatory definitions.

Annex C – Frequently Asked Questions

Timings, Reporting Requirements, Transmission and Security

1. What timeframe do FSCS work to for paying out depositors using the SCV file in a default?

Request for SCV file from FSCS	Day 1
FSCS payout using SCV file	Days 3-7 (calendar days)
FSCS payout for eligible depositors not within SCV file (e.g. client accounts)	Days 8-20 (working days)

Please note that in a default scenario the Exclusions View file must be made available by the deposit taker at the same time as the SCV file.

SCV File Structure and Format recommendations

2. What file format should be used to create the SCV file?

Deposit takers are required to provide the PRA with a description of their SCV file format in their SCV effectiveness report.

Format Requirement	Setting	Comment
Character set	ASCII	ASCII 7 bit or EBCDIC for Connect Direct Mainframe transfer
Record width	Variable	Up to the maximum field lengths specified in 12.9
Field delimiter	|	Pipe symbol – ASCII code 24
Heading descriptions	No	None required. Field order to be specified by the deposit taker in the SCV Effectiveness Report
Text field encapsulation	N/a	None required
Characters not allowed in fields	Characters less than ASCII 32 Any character used as a field delimiter (i.e. pipe)	
End of line indicator	CRLF	Carriage Return Line Feed (CRLF) ASCII code 13 followed by ASCII code 10
End of file indicator	Trailer record	Twenty digits of character '9' e.g. 99999999999999999999

3. Do I have to send multiple files for each table or can my firm just send one file?

If a firm wishes to send a single file, the SCV file should contain all fields from tables A, B, C and D and one record per account. For example, the details for a depositor for tables A, B and D should be repeated twice (these details must be exactly the same) if the depositor has two accounts on the SCV file.

Firms that wish to provide the SCV file as one file should note the following:

- The file should only contain the fields specified within Depositor Protection Rule 12.9.
- The single file should contain all SCV records ('fit for straight through payout' / 'not fit for straight through payout' combined).
- All files should contain a footer in a consistent format

4. Is there a preferred footer format?

Yes, the preferred footer format is twenty digits of character '9' i.e. '99999999999999999999'.

5. Is XML a suitable file format to use for the provision of an SCV file?

Yes; firms are required to provide details of their SCV format in the SCV effectiveness report provided to FSCS.

6. Can firms include additional fields in the SCV file that are used for internal purposes, but are not required in Rule 12.9?

No. The SCV file must not contain any other fields other than the ones required under Depositor Protection Rule 12.9, and must appear in the exact order set out in that rule.

7. Is it compulsory to have a fixed length for all fields?

No. FSCS's preferred format is not fixed length, but a pipe delimited file. Only one field delimiter can be used in the SCV file.

8. What is the required format for the Single Customer View Record Number (SCV ID)?

FSCS's preference is that each SCV ID starts with the relevant PRA Firm Registration Number (FRN). This field should be unique for each depositor.

9. Are there any characters that are prohibited from use by the Depositor Protection rules?

Firms must note that speech marks (") are incompatible with FSCS systems. Use of the characters below within any fields within your SCV file will result in the SCV ID being extracted for manual inspection by FSCS.

Characters	
!	=
$	>
%	?
*	^
+	|
;	~
<	DEL (Character)
@ (allowable in the email field only)	_ (allowable in the email field only)

Depositor Details

10. Can a single SCV ID be used for a joint account?

No. A separate SCV ID must be assigned to each account holder of a joint account. This is because both individuals are entitled to two separate £75,000 compensation limits; combining a joint account balance within a SCV ID would mean that the compensation limit is capped at a lower amount for the individual account holder (i.e. 75,000 ÷ 2 individuals = £37,500) which is incorrect.

11. What information should be included in the account title field?

Where the depositor is not an individual, this field should be left blank.

Where they are an individual, their legal title should be included. The table below provides a selection of titles used previously (the list provided is not exhaustive, if it is a legitimate and a legal title it can be included)

Titles		
Baron	Lady	Mr
Baroness	Lord	Mrs
Brig	Lt	Ms
Canon	Lt Cdr	Prof
Captain	Lt Col	Reverend
Chief	Maj Gen	Rt Hon
Cmdr	Major	Sheikh
Col	Master	Sir
Dr	Miss	Sqn Ldr
Father	Mme	Wg Cmdr

12. Is it acceptable to populate multiple forenames within the first forename field?

With the exception of double-barrelled names, multiple forenames should be placed into separate forename fields.

13. What if a deposit taker does not hold fields (such as previous name and middle name)?

Please note that firms will always be expected to hold the depositor's first forename, where that depositor is an individual. If the firm does not hold this information, the firm should take steps to identify the name of the depositor.

Where 'compensatable amount', 'aggregate balance' or 'account balance' are zero, (i.e. a zero balance) FSCS's preferred approach is for firms to populate that field with 0 (Zero)

The approach to populating non-numeric fields with blanks should be consistent throughout the file.

14. Is it acceptable to include the First Forename and the Surname in the same field?

The rules require first forename and surname information to be provided in the separate relevant fields.

15. If the Date of Birth field is optional, does this mean that the field can be excluded from the SCV file?

No, all fields set out in Depositor Protection Rule 12.9 must be included in the SCV file. From 1 December 2016 completion of this field will be mandatory where applicable (e.g. for individuals) where the data is held by the firm.

16. Are firms required to remove all generic/'dummy' data on the SCV file such as Date of Birth and National Insurance number?

Yes. To ensure that all depositor details stored on FSCS systems are accurate for claims processing, firms must remove all generic or 'dummy' data from the SCV file. If depositor specific data is not held, blanks should be reported instead.

17. The SCV table requires National Insurance numbers to be provided where held by the firm. Do deposit takers need to start collecting National Insurance numbers?

While the use of a relatively wide spread unique identifier such as National Insurance numbers will offer some advantages regarding record matching, it is only required where held by the deposit taker, for example, accounts such as ISAs, where HMRC already require the collection of National Insurance numbers.

18. How should military rank be treated on the SCV file?

If a depositor wishes to be addressed using their military rank (e.g. Private, Corporal and Sergeant etc.), this detail should reside in the 'Title' field in Table A – Depositor Details.

19. Should honours/qualification details (e.g. Mr John Smith OBE/MBA) be provided in the SCV file where the honours/qualification is not used as the person's title?

No, honours and qualification details must not be included in the 'Forename' or 'Surname' fields.

20. How should we populate a surname field if a depositor does not have a surname?

When a depositor does not have a surname, such as Arabic names, their ancestry should be placed in the surname field. For example, for a depositor with the name "Saleh ibn Tariq", we would expect the information to appear in the following format:

First forename field: Saleh
Surname field: ibn Tariq

Address Details

21. Are there any minimum requirements for the address data populated in the SCV file?

    All depositor records have the minimum address requirements, which are as follows:

    - 'Address Line 1', 'Address Line 2' and 'Postcode' for UK addresses;
    - 'Address Line 1', 'Address Line 2' and 'Country' for non-UK addresses.

    Where details are unknown, the account must be marked as 'not fit for straight through payout' (NFFSTP). The required address information should be collected during customer on-boarding and regularly updated.

    Deposit takers should always have a record of depositors' addresses as part of their anti-money laundering and 'know your client' checks. The expectation is that the number of NFFSTP cases will therefore be very low in practice.

22. A number of our overseas depositors live in a country that does not have a postal system and the use of PO Boxes is common place. Is it acceptable to use this information in Table B of the report?

    If a PO Box number is entered into Table B in the SCV table, and a cheque is used to make payment, FSCS would send any payment to the PO Box number. The deposit taker must be satisfied that this is an appropriate address for payment and that compensation can be collected from this address.

23. Is it acceptable to include the depositor name in the first line of the address if we are using the multi-line address format?

    No. The address fields must only include information relating to the address, not depositor details.

24. How should prisoner numbers be treated on the SCV file?

    There are two distinct ways of treating prisoner numbers:

    Scenario 1: Mr. Smith is in prison, but the address kept on his file is still his home address. In this case, the prisoner number is not required for sending his compensation therefore it should not appear on the SCV file.

    Scenario 2: Mr. Smith is in prison and the address kept on his file is the address of the prison in which he currently resides. In this case, the prisoner number uniquely identifies this particular Mr. Smith (and not another Mr. Smith in the same prison). Consequently, the prison number should be kept in 'Address Line 1' in Table B – Address Details – as it allows his location to be pinpointed to the prison. Please note that it is incorrect to keep the prisoner number in Table A – Depositor Details – as a form of ID, as it acts as temporary ID only whilst he is in prison and is therefore not a part of his legal name.

Account Details

25. How does FSCS expect the Account Holder Indicator to be used, for example, a joint account where one account holder is deceased, an executor has been appointed and someone holds a Power of Attorney over the account. Will the account holder indicator be used to enable FSCS to count the number of beneficial owners for the account or to infer some kind of relationship to the account?

Yes. FSCS uses the Account Holder Indicator to identify how many people are associated with a particular account. This information is primarily used to identify that the balance has been split correctly where there are multiple account holders, and to support FSCS's customer service in a default scenario.

26. If an account status code is applied at the account level and not the depositor level, is it acceptable for depositor records to have conflicting codes i.e. 'fit for straight through' and 'not fit for straight through' codes?

No. As a general rule, it is not expected for a single customer record to have both a 'fit for straight through payout' and 'not fit for straight through payout' code. The purpose of the account status code is to allow FSCS to identify circumstance that would prevent automated payout, and these circumstances would generally be at a depositor level. For example, if a depositor is 'gone-away', it is expected that all his or her accounts would have the same account code. The same applies for 'deceased', 'special correspondence' and 'Care Of' codes etc.

27. Is it acceptable to use descriptive keywords to mark an account on the SCV file as 'fit for straight through payout' or 'not fit for straight through payout'?

No. On the SCV file the status of an account should be indicated by the account status code only. The deposit taker should perform data cleansing to remove keywords such as 'deceased', 'gone-away', 'correspondence' etc. from the SCV file.

28. Is there a template showing how the account status codes and their descriptions should be provided?

A template can be found within the SCV effectiveness report. The SCV effectiveness report can be found under Faster Payout Report Templates at

http://www.fscs.org.uk/industry/single-customer-view/

29. How should a firm flag an account that is affected by more than one 'issue' using the 'Account Status Code' field?

FSCS uses the Account Status Code field to help determine the appropriate treatment for SCV records and accounts.

Where deposit takers have multiple status codes that need to be applied to an account (e.g. suspected fraud, suspect money laundering and gone away),

FSCS would prefer to receive the mapping information for the combined codes as a distinct code in the keys/codes table (that will be submitted as part of the SCV effectiveness report).

For example, where an account has a 'Suspected Fraud', 'Money Laundering' and 'Gone Away' code, we would expect to see a unique code that represents these combined codes. Some indicative examples are given in the table below that might represent a combined code scenario.

Account status key or code(s)	Description(s)	Fit for straight through payout?
FRAUD	Fraud risk	N
LAUND	Money Laundering	N
GONEA	Gone Away	N
FRLAGO	Fraud risk, Money Laundering, Gone Away	N
FRAUD/LAUND/GONEA	Fraud risk, Money Laundering, Gone Away	N
FLG	Fraud risk, Money Laundering, Gone Away	N
GONEA/FRAUD/LAUND	Gone away, Fraud risk, Money Laundering	N

Deposit takers should note that the code listed in the 'Account Status Code' column must be an exact match to the code that appears in the Account Status Code field on the SCV file. Please note, where deposit takers are specifying a combined code (e.g. FRAUD/LAUND/GONEA), each combination used must be specified. For the avoidance of doubt:

- FRAUD/LAUND/GONEA, is not the same as,
- GONEA/FRAUD/LAUND.

Both codes would need to appear in the Account Status Code table if both codes appeared in the SCV file.

30. Do firms need to include account status codes that are both 'fit for straight through payout' and 'not fit for straight through payout'?

Yes. Firms need to include account status codes that represent both 'fit for straight through payout' and 'not fit for straight through payout' statuses.

Please note it is **vital** that deposit takers include a code that represents 'fit for straight through payout' scenarios.

For example, the table below provides two indicative examples of account status codes that might represent 'fit for straight through payout' statuses. See Row 2 - If a blank field account status code field is intended to represent a 'fit for straight through payout' scenario, the Account Status Code table should include a blank row.

Account status key or code(s)	Description(s)	Fit for straight through payout?
A	Active and operating normally	Y
	Active and operating normally	Y

31. **How should firms flag depositors who have specific needs such as visual impairments?**

Where deposit takers flag depositors with specific requirements (e.g. Braille or large print requested), the appropriate key or code should be applied indicating:

- the specific requirement of that particular depositor; and
- that the relevant keys and codes in the SCV effectiveness report Template are marked as 'not fit for straight through payout'.

32. **A power of attorney (POA) gives a designated person the ability to act on behalf of the account owner. Should accounts with a POA be in the SCV file?**

Under normal circumstances, FSCS would expect POA accounts to be contained in the SCV file.

Deposit takers should note that:

- depositor details (Table A) will be used by FSCS to identify the beneficiary of the compensation, i.e. the person whose name will appear on a cheque;
- the Contact Details (Table B) will be used by FSCS to identify what address any cheque would be sent to; and
- the Depositor Account details (Table C) will be used to identify the account 'owner'.

The above assumptions should be used by deposit takers to inform the population of SCV for the different types of POA accounts that are relevant to their accounts.

We have received a number of questions on how to treat POAs. While we have provided two examples below, firms should take their own expert legal advice if necessary.

Example 1: The power of attorney has been added to the account as a signatory but the account holder and account contact details have not changed

in any way. In this example FSCS would expect the account to be included in the 'fit for straight through payout' file. The fact that the POA is a signatory on the account has no bearing in respect of compensation.

Example 2: The power of attorney has been listed on the firms' records as the account contact and all correspondence is sent to the POA. In this example FSCS would expect the account to be included in the 'fit for straight through payout' file. The named account holder remains the account payee regardless of the appointment of a POA.

33. Where a joint account includes a single deceased owner and a surviving owner, it is our understanding that probate prevents the surviving owner removing the funds, should the portion of the account belonging to the surviving owner be included in the 'fit for straight through payout' file or the 'not fit for straight through payout' file?

The relevant terms and conditions that relate to joint accounts should be considered by firms before deciding what action is appropriate. Firms should take their own expert legal advice if necessary.

34. Where a depositor has more than one role on an account (e.g. where a surviving spouse to a joint account has now also become the executor to their spouse's estate), can they have two account records recorded within the SCV file, one to reflect their share of the ownership (50% share) of the account and one to represent their relationship as the executor? If not how would you expect the multiple roles to be reflected in the record (Account Status, Account Holding Indicator)

No depositor should have more than one SCV record in the SCV file.

In the example given in the question, the relevant terms and conditions covering the joint account should be considered before deciding what action to take.

It is important to note that if an individual happens to be an executor of an estate, this has no relationship or impact on their own personal SCV file or compensation entitlement.

35. Where a depositor is deceased and an Executor has been appointed for the account (clearly on a non-beneficial basis), how would the SCV record for the deceased person be treated on the SCV file?

Where the firm has received the relevant probate documentation and an executor is appointed, the SCV record would be included in the SCV file under the Executor with a key or a code indicating that it is 'fit for straight through payout'. Please note that if the executor has a personal record on the same SCV file, the SCV record for the estate of the deceased person should be kept separate i.e. this should be recorded under a different SCV ID.

Where the probate documentation is pending, or there are no contact details for the estate, the SCV record would be included in the SCV file with a key or a code that indicates it is 'not fit for straight through payout'.

36. When should '000' be used in the Account Holder Indicator field?

'000' can be used in the Account Holder Indicator field as a power of attorney (POA) indicator. Whether the firm chooses to use '000' Account Holder Indicator, the appropriate Account Status Code should always be used to indicate POA.

Eligibility

37. What are the eligibility criteria that need to be applied when creating the SCV file?

   Under the recast DGSD, eligibility for deposit protection has been harmonised and most depositors, including companies, will be eligible. These newly eligible depositors will need to be included in the SCV from 1 December 2016.

   During the transitional period, deposit takers have a number of options for the newly eligible depositors:

   1. Marking eligible (and/or ineligible) deposits under the recast DGSD at core systems level (i.e. flagging at account level).
   2. A separate file showing eligible (and/or ineligible) deposits.
   3. Using the SCV file and Exclusions View file.

   Option 3 is FSCS' preferred option. If a deposit taker selects option 1 or 2, they must have a credible resolution plan for the depositors held outside the SCV.

   Wholesale only deposit takers which accept eligible deposits under the recast DGSD will need to comply with the rules on SCV systems and continuity of access requirements from 1 December 2016, and therefore produce an SCV for the first time.

   The following will remain as ineligible deposits (see Depositor Protection Rule 2.2(4)):

   - a deposit made by another credit institution on its own behalf or for its own account;
   - own funds;
   - a deposit arising out of a transaction in connection with which there has been a criminal conviction for money laundering;
   - a deposit by a financial institution;
   - a deposit by an investment firm;
   - a deposit the holder and any beneficial owner (as defined in regulation 6 of the Money Laundering Regulations 2007) of which has not, at the compensation date had their identity verified in accordance with regulation 9 of the Money Laundering Regulations 2007 (or equivalent EEA requirements);
   - a deposit by an insurance undertaking or a reinsurance undertaking;
   - a deposit by a collective investment undertaking;
   - a deposit by a pension or retirement fund (but excluding deposits by personal pension schemes, stakeholder pension schemes and occupational pension schemes of micro, small or medium-sized enterprises);
   - a deposit by a public sector entity, unless it is a small local authority (budget < €500,000);

- a debt security issued by the DGS member and any liabilities arising out of own acceptances and promissory notes.

Prior to 1 December 2016, where a firm has insufficient information to report the aggregate amount (option 1 or 2) for their large corporate deposits and small local authority deposits on an individual legal entity basis, the PRA expects the firm to have a plan in place for how they would obtain this information upon receipt of a request from FSCS or PRA.

The PRA/FSCS reserves the right to request firms to implement a contingency plan where it is required, for example, if the PRA is contingency planning for the event of failure of the firm. From 1 December 2016, these deposits must be included in the SCV where they are eligible.

PRA expect the information provided to FSCS to specify which deposits are accepted in branches outside the United Kingdom.

38. What types of accounts should be excluded from the SCV file but may still be eligible?

Whilst potentially eligible, the following accounts (described in the rules as 'not active' and 'beneficiary') should not be included in the SCV file but should instead be included in the Exclusions View file:

- **Legally dormant accounts:** as defined in the Dormant Bank and Building Society Accounts Act 2008.

- **Legally disputed accounts:** where a deposit taker has received a formal notice of a legal dispute or competing claims to the proceeds of the account.

- **Sanctioned accounts:** which appear on the 'Consolidated list of financial sanctions targets in the United Kingdom' that is maintained by HM Treasury.

- **Beneficiary accounts:** all accounts where the named account holder is holding funds on behalf of or for the benefit of another person, such as trust accounts or client accounts, should be excluded from the SCV. For the avoidance of doubt, even where the underlying beneficiary is known by the deposit taker, the account should be excluded from the SCV.

Note that accounts in the Exclusions View file may or may not be eligible for compensation, i.e. they are 'excluded' from the SCV file, but may not be 'excluded' from receiving compensation.

Accounts which are ineligible for compensation (e.g. deposits excluded under Depositor Protection Rule 2.2(4), such as those belonging to some financial services firms) should be included in neither the SCV nor the Exclusions View file.

39. How should deposit takers identify eligible depositors in the SCV file?

The rules require deposit takers to be able to provide FSCS with an SCV file that contains only eligible depositors. Consequently, there is no requirement for an eligibility field or marker within the SCV table.

Whilst the PRA does not mandate the method to be used, deposit takers must be able to identify which accounts are held by eligible depositors, possibly by using existing account codes and those that are ineligible depositors where eligibility has not been tested would need to be flagged separately.

40. When a person dies, the personal representatives (for example, an executor or administrator) will ingather the estate before distributing it to the beneficiaries. If during the ingathering process the deposit taker defaults, who is the eligible claimant?

Whilst the ownership of the deposit remains as an asset of the deceased person's estate, FSCS would regard the personal representatives as the persons bringing the claim on behalf of the deceased person (i.e. a single claim for the estate, up to the compensation limit).

41. Does a sole trader have a separate claim on FSCS in respect of business and personal accounts?

A person trading as a sole trader has no separate legal personality when trading in that capacity, so there is no separate claim on FSCS. In this scenario both business and personal accounts should be linked to the same SCV ID and compensatable limit.

42. Are former UK residents now residing in EU or non-EU countries eligible?

The Depositor Protection Rules do not contain a residency requirement. If the deposit is held at a UK bank (PRA authorised) or an EEA branch of a UK authorised bank, the depositor will be eligible, subject to FSCS eligibility defined in Chapter 2 of the Depositor Protection rules, regardless of their place of residency.

43. What additional money laundering checks are required under the Depositor Protection Rules?

Deposit takers are not required to undertake additional money laundering checks over and above those checks they are already legally obliged to complete.

Deposits where there has been a conviction in relation to money laundering are not eligible and should not be included in either the SCV or Exclusions View files.

Deposits where there is an outstanding charge relating to money laundering (no conviction as yet), should be included in the Exclusions View file as Legally Disputed.

Balance Calculations

44. What if the compensation limit increases/decreases?

Deposit taker systems should be sufficiently flexible to change the limit as it may change in the future. The Deposit Guarantee Scheme Directive requires the UK to review the limit periodically by the Commission and at least once every five years. This limit check is essential, as it allows FSCS to identify the precise figure of compensation which should be paid out.

45. Some eligible accounts may provide for the depositor to receive a bonus payment on a particular future date or at the end of the term of the account if withdrawals are not made before a certain date. Should these payments be included in the SCV?

Unless the account terms and conditions have been met, and payment is due, FSCS does not protect a bonus. Such payments are only protected if the deposit is held for the full term and the necessary conditions have been met prior to the point of default.

46. How would any compensation limit apply to a Discretionary Trust?

FSCS would usually regard the trustee(s), not the beneficiaries, as the claimant where the trust is not a bare trust, for example it is a discretionary trust. In the case of a bare trust, or nominee company, FSCS treat the beneficiary or beneficiaries, not the trustees or nominee company, as having the claim (Depositor Protection Rule 6.2).

So, a discretionary trustee(s) may have a claim. Further, to the extent that beneficiaries of the trust would not be eligible for compensation if they were the claimant themselves, FSCS would seek to adjust the total claim to eliminate that part which is a claim for those ineligible beneficiaries (Depositor Protection Rule 5.6).

47. How should joint account holders be treated in relation to the compensation 'limit check'?

Where there are two account holders, under Depositor Protection Rule 5.3 the funds should be split 50:50 unless the deposit taker has evidence that the holders' respective shares are not 50:50 in which case the actual designated split must be used.

Compensation balances unused cannot be transferred from one individual to another.

48. **What is the position as regards positive balances arising on non-credit card loans?**

It is possible that a positive balance might arise in error in relation to a non-credit card loan if, for example, a borrower continued to make regular payments to a bank after the loan had been repaid. If the positive balance appears on the loan account, it will not be a deposit. However it would become a deposit if it was paid into the depositor's ordinary current account (assuming that the current account is in credit). The account on which monies are held matters because that account will set the repayment terms and conditions.

The terms and conditions of the loan are unlikely to cover the existence of a positive balance as such a balance is inconsistent with the nature of a loan. The absence of a reference to a positive balance is likely to indicate that a positive balance is not allowed. This is because a positive balance is inconsistent with the nature of a loan. This can be distinguished from the position of a positive balance on a credit card.

It follows that a positive balance on a loan account is not required to be included in the SCV but that if it is paid into the depositor's current account, it is required to be included in the SCV.

49. **How do deposit takers treat offset mortgages where there is a negative balance?**

Offsetting is dis-applied for FSCS payout purposes so that if a depositor also owes a bank money, the debt is no longer set off against the deposit in calculating the amount of the protected deposit. This has implications for offset mortgages.

If the deposit account is separately identified from the mortgage balance, it should be separated and compensation calculated on a gross basis. However, if the deposit account is combined with the mortgage account, FSCS would have to treat it as an overdraft and no compensation would be payable.

The two most common types of offset mortgage structures have been identified as:

- **Type 1:** a savings/current account which is usually separately identified from the mortgage balance. The balance in the account is offset against the mortgage and interest is calculated on the amount of the mortgage debt less the amount on deposit.

- **Type 2:** a current account is combined with a mortgage account and operated as one large overdraft (with a credit limit).

In the first type, deposits are normally separately identified from the mortgage balance, therefore the PRA considers that it should be relatively easy to separate the two elements and calculate compensation on a gross basis.

In the case of the second type, the PRA consider that the nature of the product meant it might not be possible to separate the deposit element from the mortgage element; FSCS would simply have to treat the single balance as a debt to the bank (i.e. as an overdraft).

50. Is the return on structured deposits to be included in the SCV file?

The PRA has stated that provided the structured deposit falls within the DGSD definition of a deposit, the legal position is the same whether the deposit is an ordinary deposit or a complex structured one. Interest or the return on a deposit is itself a deposit if it is added to the account. If the interest cannot be added to the account but is instead paid away at once to an account of the depositor with another bank, then it is that other bank that accepts the interest payment as a deposit.

However, the PRA recognises the difficulties of including this return in the SCV where the calculation is complex, so Depositor Protection Rule 12.11 now covers this.

51. Does a structured deposit under which some capital is only at risk in the event the deposit does not run to term meet the DGSD definition of a deposit?

It is necessary to consider whether Depositor A pays money to Bank B on terms under which it will be repaid, with or without interest or premium, and either on demand or at a time or in circumstances agreed by or on behalf of Depositor A and Bank B.

It may help to describe three scenarios:

- **Scenario 1:** Depositor A makes a deposit with Bank B. Depositor A runs the risk that he will not be repaid in full if Bank B becomes insolvent because of insolvency law. Such a risk does not mean that the deposit ceases to be a deposit for regulatory purposes.

- **Scenario 2:** Depositor A makes a deposit with Bank B on terms that Depositor A will be repaid in full unless Depositor A withdraws the deposit early, in which case Depositor A may not get back his deposit in full. As the risk of a loss of capital is under the control of Depositor A it is still a deposit. The answer would be different if Depositor A could lose his capital if Depositor A himself becomes insolvent.

- **Scenario 3:** Depositor A makes a deposit with Bank B on terms that provide that the deposit abates to the extent that Bank B does not have assets to meet its repayment obligations. This will not be a deposit as it is paid on terms that it may not be repaid in full.

52. Does the reward payment on Shariah deposits (as interest is not payable on such deposits) count as interest and have to be included in the SCV file?

Whether a Sharia deposit and any interest-like payment qualify for compensation will depend on the exact terms and conditions of the product in each case. In particular, in order to meet the definition of 'deposit' for the purposes of the Depositor Protection Rules, there must be capital certainty – i.e. the deposit must be repayable at par.

53. Should pre-paid card balances be excluded from the SCV?

Pre-paid cards that are e-money or are not repayable are not deposits. Therefore, in either case, they are not protected by FSCS and should not be included in the SCV.

54. How should deposits held as security be treated?

Deposit takers will need to take a view, on a case by case basis, as to whether the deposit meets the new definition of 'deposit' in the Depositor Protection Part of the PRA Rulebook, which is based on the definition in the Directive. Only deposits that meet this definition and are eligible deposits should be included in the SCV file.

55. How do deposit takers calculate the compensatable amount for term/deposits?

Eligible term deposits and fixed deposits must be treated in the same way as other eligible deposits. The deposit taker must calculate the compensatable amount by adding:

- The account balance at the default date; and
- Interest accrued up to the default date, but which had not yet been credited.

If the deposit is a structured deposit where the return cannot be calculated until the maturity date (because the return is based on growth of an index as determined at a future date), the figure for the compensable balance must add only interest accrued prior to the product start date and any minimum return to the account balance.

56. Does a deposit taker's SCV system have to be able to convert currencies into Sterling?

For those firms that operate accounts in a currency other than sterling, a firm's system will need to be capable of including any non-sterling accounts in the aggregated and compensatable balances. FSCS require that all non-sterling balances are converted into Sterling using the exchange rate as at the date of default (or SCV request). No particular exchange rate is required; however, FSCS recommends the Bank of England's spot rate on the date of default to be appropriate.

Under the new SCV requirements that take effect from 1 December 2016, firms will be required to report the original balance, the exchange rate used, and the sterling equivalent.

57. What are FSCS's current expectations with regard to tax on the account balances and thus on the compensatable amount? If joint owners have different tax status how would you expect this to be treated?

The rules do not make any specific provisions for any tax treatment during verification or payout. Tax should be treated by firms in the usual way. Firms (or depositors) are responsible for accounting to HMRC for any tax.

58. Is the "Account balance" field in the SCV file the actual balance on the account in total or the share applicable to the Depositor that is used to determine the amount eligible for consideration for compensation?

The account balance figure should represent the relevant proportion of an account balance. For example, if Depositor A and Depositor B have a joint account with a balance of £10,000, the 'account balance' field would be £5,000 in each SCV record, and the account holder indicator would be '002'

59. Where a Child has a direct ownership account (e.g. with £90k in it) as well as a Child Trust Fund (e.g. with £5k in it) and their direct ownership account consumes the entire available compensation limit, how is the CTF balance treated?

FSCS have received guidance from HMT that Child Trust Funds and Junior ISAs (JISAs) should not appear on the SCV and should be placed in the Exclusions View file as beneficiary accounts.

60. Should accounts with negative balances be included within the SCV file?

Eligible accounts with a negative balance (e.g. overdraft) should be included in the SCV, but should not be off-set against the calculation of the compensatable amount. Such balances should be recorded in the SCV file for continuity of access purposes.

61. What is the 'compensatable' amount field for?

The compensatable amount field will be used by FSCS to determine how much compensation will be paid to the depositor. Deposit takers should note that:

- It should never be more than the compensation limit.

- It should not include the compensation limit itself, unless of course the depositor has an aggregate balance greater than the existing limit (when compensation paid has to be capped at the limit).

62. How should balances be treated for joint accounts?

Where a depositor has a joint account with another depositor, the balance should be split equally to the nearest penny (i.e. 50:50, unless there is

satisfactory evidence to the contrary, such as the account's terms & conditions) in accordance with Depositor Protection Rule 5.3. For example:

- Depositor 1 and Depositor 2 have a joint account only that is to be split equally;
- The joint account has a balance of £1,000;
- Depositor 1 and Depositor 2 will be allocated a balance of £500 each; and
- The figure used to calculate the 'compensatable' amount should be £500 for each depositor.

63. **How should deposit takers deal with the return element of a structured deposit, where the return calculation is unknown?**

It may not be possible to calculate the return element of a structured deposit until a particular point in time, for example, a structured deposit is linked to an index at a future date. If the rate or calculation of the return is not known until a future date, deposit takers should follow Depositor Protection Rule 12.11

64. **How should deposit takers deal with in-flight transactions?**

At the point of resolution or insolvency there are likely to be a number of payments still moving through payment systems that have either not yet settled at bank level or been credited or debited into depositors' accounts. Depositor Protection Rule 12.14 sets out how these in-flight payments must be treated in the SCV file. This rule is intended to ensure that the balance a depositor can see at the end of the business day matches the balance in the SCV file as far as is possible. In-flight transactions will be dealt with by the insolvency practitioner or administrator after a resolution.

However, it is important that firms understand how to treat in-flight transactions in the SCV file to ensure a consistent approach. There will need to be a process of reconciliation between the insolvency practitioner or administrator, FSCS and any acquiring firm (as relevant).

All payments for which funds have been received by the depositor's firm intraday should be reflected on the depositor's accounts and therefore in the account balance field in the SCV or Exclusions View file by close of business.

Some payments may be reflected on depositors' accounts before they have been settled between firms due to timings in payment systems or internal processes. Some timing differences will be intraday and some may go across multiple days. Where these payments have already been credited or debited to a depositor's account, even if interbank settlement has not yet completed the value should be included as part of a depositor's compensatable amount. For example, if a depositor has made a debit card payment which has reduced the amount of their available balance, this payment should be excluded from the compensatable amount in the SCV file.

For payments that have not been reflected on accounts and where the depositor does not continue to have access to their account it is possible that these payments will need to settle and then be returned as unapplied payments. Firms should consider if this impacts on their processes.

Depositor Protection Rule 12.14 states that payments debited from a depositor's account should be excluded from the SCV and Exclusions View file regardless of whether the firm has sent the value itself. However, where possible, payments debited that have not yet been entered into the payment system should be reapplied to a depositor's account. For example, amounts debited may have been credited to a suspense account. This will then form part of a depositor's compensation balance in the SCV or Exclusions View file.

The PRA recognises that there will be a small number of payments that are not known about at the point of resolution but where the depositor has already committed to making that payment by taking goods or services in exchange. Any irrevocable debits (for example, overseas debit card transactions) that have not been reflected on the SCV file may need to go through a process of reconciliation with the insolvency practitioner or administrator, FSCS and any acquiring firm (as relevant).

Exclusions View File

65. What deposits should be included in the Exclusions View file?

The rules require all eligible accounts to be included in the SCV file other than accounts which are not active (i.e. Sanctioned, Legally Dormant or subject to a Legal Dispute) and beneficiary accounts (i.e. the named account holder is not absolutely entitled to the funds), which must be included in the Exclusions View file.

If a firm does not have any accounts or balances which are required to be included within an Exclusions View file, the firm must provide confirmation of this to the FSCS.

Note that accounts in the Exclusions View file may or may not be eligible for compensation, i.e. they are 'excluded' from the SCV file, but may not be 'excluded' from receiving compensation.

Accounts which are ineligible for compensation (e.g. deposits excluded under Depositor Protection Rule 2.2(4), such as those belonging to some financial services firms) should be included in neither the SCV nor the Exclusions View file.

66. How should we treat depositors with (for example) three accounts in their SCV file, and a fourth account that is subject to a legal dispute and excluded?

FSCS would prefer that deposit takers include the three accounts in the SCV file and that the fourth account appears in the Exclusions View file.

67. How should firms deal with an account holder on an account who is an adult but the money is the child's? This is not a joint account.

Firms will need to establish who the legal owner of the account is. Where a parent is the account holder, and their child is the beneficiary, it is likely that such an account would be in the Exclusions View file in the beneficiary category.

68. How must client and trust accounts be identified?

Accounts held on behalf of another, such as client and trust accounts (including Child Trust Funds) must be identifiable in the deposit taker's system. These accounts should be included in the Exclusions View file rather than the SCV file.

Deposits within accounts held on behalf of another, such as client and trust accounts, may be eligible for FSCS compensation. However, the persons beneficially entitled to the deposits may not be immediately identifiable and as such will not receive payment as part of the SCV faster payout process.

All beneficiary accounts must be marked and clearly identifiable on the depositor taker's system. This can be done by:

- Naming the account "[Name of firm] client account" to indicate that an account is held on behalf of another, such as a client or trust account.
- Changing the Account Status Code to indicate that it is a beneficiary.

Firms should also observe Depositor Protection Rule 11.2 and supporting guidance in SS18/15.

In the event of the failure of the named deposit taker, the deposit holder will need to give FSCS evidence of each beneficiary's entitlement.

For information, the Law Society guidance on solicitor client accounts can be located here:

http://www.lawsociety.org.uk/advice/practice-notes/banking-crisis/

69. Where a depositor has multiple accounts and the accounts fall in different categories (such as an account as 'fit for straight through payout' and an account as Not Active (e.g. an account which was in dispute), can the depositor exist in both the SCV file (for their FFSTP account) and in the Exclusions View file, or is the entire set of accounts listed under Not Active in the Exclusions View file? Would this vary i.e. are there any circumstances when a depositor can be split between the SCV file and the Exclusions View file e.g. The Child and Parents to a Child Trust Fund?

In most cases, depositor accounts should not be split across the different files.

However, there are scenarios where this does not apply. Examples are listed below:

- It is possible for a depositor to have a legally disputed account on the Exclusions View file and a FFSTP current account on the SCV file.
- It is possible for a child to have a record on the SCV file, and a separate Child Trust Fund in the Exclusions View file.

70. Against whom should the compensation calculation be performed for Child Trust Funds – the child or the parent?

Child Trust Funds compensation will be payable to the underlying beneficiary of the account (owner of the monies i.e. the child). However, please note that Child Trust Funds should be identifiable and extractable from firm systems and included in the Exclusions View file.

71. How do I treat joint accounts where one partner is legally dormant?
For example, Mr. Smith has a sole account with Bank B that he regularly uses. He also holds a joint account with Mrs. Smith at Bank B that has not been used for over 15 years and Mrs. Smith has not had any other contact with Bank B in this time. How should Mrs Smith be treated?

Eligible claimants with legally dormant accounts go in the Exclusions View file. The rules apply to the account rather than the person. In terms of the above example, it would mean that Mr. and Mrs. Smith's dormant joint account goes into the Exclusions View file, and Mr. Smith's solo account goes into the SCV file.

72. **How do I treat accounts that HMRC are seeking recovery of debts from under their Direct Recovery of Debts (DRD) powers?**

If HMRC have placed a hold notice on accounts for Direct Recovery of Debts these should be placed into the Exclusions View file as a legally disputed account.

73. **How should firms correctly present BFPO addresses for their customers on the SCV file?**

Where the customer's address is overseas and the Country field on the SCV is populated with a non-UK country, , the BFPO code would need to be provided in the last address field following the rest of address details (which may not necessarily be Address Line 6).
If the address is a UK BFPO or there is no country populated in the Country field on the SCV, the BFPO code needs to be populated in the Postcode field in the SCV file

74. **How should accounts held in trust be recorded in the Exclusions file?**

As Exclusions files have to be submitted within 24 hours of being requested, it is not expected that the beneficiary details would be provided. However, the account holder / trust details are important as, in the event of a failure, FSCS would contact the trustees to obtain the details of the beneficiaries.

Where a trust has a name of its own (e.g. The John Smith Trust, or The XYZ Trust) and the trust name is known, this should appear in the surname field, with the forename fields being blank (i.e. same as for other non-individuals). Where the trust does not have its own name (e.g. because it was not established by a trust deed and is an informal trust, such as a parent holding a deposit on trust for their child), the name of one of the trustees should be given in the relevant forename and surname fields.

It may not be possible to calculate the compensatable amount for beneficiary accounts (for example, if it is not known whether beneficiaries are 'absolutely entitled'). In such cases, this field may be left blank in the Exclusions View file. The aggregated balance field must be completed as normal.

The account holder indicator should be 001 for a trust

75. How should accounts held by charities be recorded?

Charitable status is not relevant as a factor in determining eligibility – it is the underlying legal structure of the deposit holder that is important. As long as the type of entity is not excluded by rule 2.2(4) of the Depositor Protection Rules, the deposit will be eligible.

If eligible, the deposit should be in the SCV file (generally as FFSTP, unless good reason to be NFFSTP) unless the charity is holding the money on trust for beneficiaries, in which case it should be in the BEN pot of the exclusions view. Note that rule 11.2 requires firms determine whether an account is held on trust. Firms should seek clarification from account holders if they are uncertain.

Annex D – Implementation Timeline

	PRA requirement	Details of requirement	Outlined in (Confirmed in)	Implementation date	Expiration date if applicable
SCV	Final SCV requirements (Depositor Protection 12)	• Standardised SCV format • 24 hour SCV production • Standardised Exclusions View file • Standard approach to IFTs • Reflect newly eligible depositors (e.g. large corporates)	CP20/14 (PS6/15)	01-Dec-16	N/A
	Transitional SCV requirements (Depositor Protection 50)	Continuation of current: • SCV format • 72 hour SCV production • excluded accounts from SCV New requirement to: • Remove newly ineligible depositors from SCV (e.g. credit unions). Newly eligible depositors do not need to be included yet.	CP4/15 (PS6/15)	03-Jul-15	30-Nov-16
	Electronic SCV opt-out (Depositor Protection 50.5-50.6)	• Firms with fewer than 5,000 eligible accounts may opt-out of electronic SCV	Existing policy but treatment covered in CP20/14 and CP4/15 (PS6/15)	Already in effect and proposed to continue at 3 July 2015.	30-Nov-16

		requirements. This is a current option that the PRA proposes to phase out.			
Info reqs	DGSD Information requirements (Depositor Protection 11.3-11.6)	• Provide FSCS with aggregated covered deposits of each depositor upon request • Provide FSCS with all information necessary to ensure payout within time limits	CP4/15 (PS6/15)	03-Jul-15	N/A
Marking	SME and non-EEA marking (Depositor Protection 11.3)	• Mark the eligible accounts of persons and SMEs • Mark similar accounts of persons and SMEs held at non-EEA branches	CP20/14 & SS in CP4/15 (PS6/15, SS18/15)	01-Dec-16	N/A
	DGSD eligibility marking (Depositor Protection 11.1-11.2)	• Mark the eligible deposits to allow immediate identification • Mark beneficiary accounts to allow immediate identification	CP20/14 & SS in CP4/15 (PS6/15, SS18/15)	03-Jul-15	N/A
Reporting	Marking effectiveness report (Depositor Protection 49)	• The report covers implementation and attestation details around the DGSD eligibility marking	CP4/15 (PS6/15)	03-Jul-15	The end of the transition period

		• Firms must submit the report when newly-authorised, and at the request of FSCS or PRA			
	SCV effectiveness report (Depositor Protection 14 & 51)	• A new report combining the previous SCV report and SCV implementation report, plus new fields on dependencies and controls. • Firms must submit the report when newly-authorised, and at the request of FSCS or PRA	CP20/14 & CP4/15 (PS6/15)	03-Jul-15	N/A
	CoA report (Depositor Protection 15)	• The report covers implementation and attestation details around CoA systems. • Firms must submit the report when newly-authorised, and at The request of FSCS or PRA	CP20/14 & CP4/15 (PS6/15)	01-Dec-16	N/A
Funding	Funding requirements (Depositor Protection 31-48)	• Details of how firms should report deposit data, how their share of the levy is calculated, and how FSCS will handle funding.	CP20/14 (PS6/15)	03-Jul-15	N/A

	Transitional funding requirements (Depositor Protection 52)	• A slight amendment to the general funding requirements to exclude large corporate deposits from the tariff base during the transitional period, as firms may not hold this data.	CP4/15 (PS6/15)	03-Jul-15	The end of the transition period
	Risk based levies	• DGS levies must be risk-based	CP 20/14		Not included in final PS6/15 as waiting on publication of final EBA guidelines
Other DGSD reqs	DGSD eligibility (Depositor Protection 2)	• Newly eligible depositors under the DGSD, mainly large corporates. • Newly ineligible depositors under the DGSD, including credit unions.	CP20/14 & CP4/15 (PS6/15, although amendment in CP15/15) CP20/14 (PS6/15, although amendment in CP15/15)	03-Jul-15	N/A
	DGSD payout time limits (Depositor Protection 9)	• A payout time limit of 20 working days reducing to 7 working days by 2024	CP20/14 (PS6/15)	03-Jul-15	N/A
	THBs (Depositor Protection 10)	• Depositors can get more than compensation limit in certain circumstances. There are no requirements on firms to identify THBs, and the handling of THBs	CP20/14 (PS6/15)	03-Jul-15	N/A

		mainly rests with FSCS.			
FSCS	Requirements on FSCS (Throughout the Depositor Protection Part)	• There are a wide range of requirements on FSCS proposed in CP20/14 and CP4/15.	CP20/14 & CP4/15 (PS6/15)	03-Jul-15	N/A
CoA	Continuity of access (Depositor Protection 13)	• Freeze ineligible accounts • Transfer eligible but uncovered funds into shadow or suspense accounts • Prioritise access to most accessible accounts	CP20/14 (PS6/15, although amendment in CP15/15)	01-Dec-16	N/A