



August 2015
Our ref: FSCS201508

Dear Customer,

IMPORTANT INFORMATION ABOUT YOUR ACCOUNT(S) WITH FIRTSAVE

As a savings customer with FirstSave, we are contacting you to let you know about some important changes to the cover provided by the Financial Services Compensation Scheme (FSCS). These changes are being made across the financial services sector and affect all banks and building societies in the United Kingdom. They are a result of new European Union legislation.

On 1 January 2016 the deposit protection limit is changing from £85,000 to £75,000.

If FirstSave fails, the Financial Services Compensation Scheme (FSCS) protects your eligible deposits up to the deposit protection limit (currently £85,000 for most depositors).¹

What if I have less than £75,000 held in total eligible deposits with FirstSave?

If you have total eligible deposits of less than £75,000 with FirstSave, then you will not be affected by the limit change.

However, if you have eligible deposits of more than £75,000, you are unlikely to be fully protected after 1 January 2016 so you may need to take action if you wish to remain fully covered by the FSCS.

From 1 January 2016, your eligible deposits with FirstSave will be protected up to a total of £75,000 by the FSCS.

WHAT ARE MY OPTIONS?

To reflect the decrease in the cover provided by the FSCS by £10,000, all customers with total eligible deposits over the forthcoming limit of £75,000 will be permitted to make a penalty-free withdrawal of up to £10,000 - regardless of the specific terms and conditions of your account(s). The withdrawal can be made from several accounts held in your name with FirstSave however, if the withdrawal is to be made from an existing 30/90 Day Notice Account or a Fixed Rate Bond then the withdrawal request must be made by logging into your account and sending a secure message requesting withdrawal, any withdrawals will be returned to your nominated account. Only **one** withdrawal request is permitted for each customer.

How will this work?

You can request the withdrawal by taking the necessary action as described above under '**WHAT ARE MY OPTIONS?**' **no later than 31 December 2015**. After this date, the original withdrawal terms of your account will come back into force. The Prudential Regulation Authority (PRA) has allowed financial institutions two months to process customer withdrawals from the date of receipt, but we will endeavour to turn round requests as quickly as we can. This may mean that if you send your request in towards the end of the year, the FSCS cover will reduce from 1 January 2016.

Further information regarding the protection provided by FSCS is set out as follows:

General limit of protection

Your eligible deposits held at the same bank, building society or credit union are added up in order to determine the coverage level. If, for instance, you hold eligible deposits in a savings account with £70,000 and a current account with £20,000, you will only be repaid £75,000 (or £85,000 for most depositors until 31 December 2015).

From 3 July 2015 until 31 December 2015:

The FSCS protects most depositors, including individuals and small companies, up to £85,000 until 31 December 2015.

Eligible deposits of large companies² and small local authorities³ are eligible for FSCS protection from 3 July 2015 onwards. The £75,000 deposit protection limit will apply from 3 July 2015 since these deposits have not previously been protected.

From 1 January 2016:

From 1 January 2016, the FSCS will protect most eligible deposits up to a total of £75,000. Any deposits you hold above the limit are unlikely to be covered.

Depositors with aggregate deposit balances over £75,000

Further information will be provided to depositors on how these changes will affect depositors with aggregate balances over £75,000. Please contact FirstSave or the FSCS (details below) for further information.

Temporary high balances

In some cases, an eligible deposit which is categorised as a “temporary high balance” (for example, as a result of a house sale, inheritance, or insurance payment) may be protected to a higher limit for six months after the amount has been credited to your account or from the moment when such eligible deposits become legally transferable. This applies from 3 July 2015. See the FSCS website for full details.

Exclusions from protection

A deposit is excluded from protection if:

- (1) The holder and any beneficial owner of the deposit have never been identified in accordance with money laundering requirements. For further information, contact your bank, bank building society or credit union.
- (2) The deposit arises out of transactions in connection with which there has been a criminal conviction for money laundering.
- (3) It is a deposit made by a depositor which is one of the following:
 - credit institution
 - financial institution
 - investment firm
 - insurance undertaking
 - reinsurance undertaking

- collective investment undertaking
- pension or retirement fund⁴
- public authority, other than a small local authority.

The following deposits, categories of deposits or other instruments are no longer protected from 3 July 2015:

- deposits of a credit union to which the credit union itself is entitled
- deposits which can only be proven by a financial instrument⁵ 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)
- deposits of a collective investment scheme which qualifies as a small company⁶
- deposits of an overseas financial services institution which qualifies as a small company⁷
- deposits of certain regulated firms (investment firms, insurance undertakings and reinsurance undertakings) which qualify as a small business or a small company⁸ – refer to the FSCS for further information on this category.

Reimbursement

The FSCS aims to repay your eligible deposits (up to the compensation limit) within 7 days, and is required to do so within 20 working days (with some exceptions).

Contact

If you have any questions regarding the change in the compensation limit, please contact the Financial Services Compensation Scheme (FSCS) at:

Financial Services Compensation Scheme
10th Floor Beaufort House,
15 St Botolph Street,
London,
EC3A 7QU

Tel: 0800 678 1100 or 020 7741 4100

Email: ICT@fscs.org.uk

Web: <http://www.fscs.org.uk>

If you have any queries about these changes to the cover provided by the FSCS, please contact them in the first instance or call **0345 601 2211*** between 8am - 6pm Monday to Friday (excluding Bank Holidays) for more information.

Yours sincerely

FirstSave
Customer Services Department

¹ Exceptions for certain deposits are stated below and on the FSCS's website: <http://www.fscs.org.uk>.

² Large company means a body corporate which does not qualify as a small company under section 382 of the Companies Act 2006

³ Small local authority means a local authority with an annual budget of up to EUR 500,000

⁴ Deposits by personal pension schemes, stakeholder pension schemes and occupational pension schemes of micro, small and medium sized enterprises are not excluded

⁵ Listed in Section C of Annex 1 of Directive 2014/65/EU

⁶ Under the Companies Act 1985 or Companies Act 2006

⁷ See footnote above

⁸ See footnote above

*We may monitor and record telephone calls for training and security purposes.