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FSA APPLAUDED IN MOVE TO SAFEGUARD COMPENSATION

A proposal from the Financial Services Authority to protect personal injury compensation in the event of a bank collapse has been welcomed by the Association of Personal Injury Lawyers (APIL).

APIL says the FSA's proposal to extend the protection offered by the Financial Services Compensation Scheme to cover temporary, high deposits such as court awards or out of court settlements, will be a welcome relief for personal injury victims.

John McQuater, the association's president, says although victims who receive high value awards usually take financial advice on how best to invest their compensation, there will inevitably be a period when large sums are deposited into personal bank accounts, for example.

"Injured people who receive large compensation awards depend on their damages to pay for their future cost of living and care, and it is crucial this money is fully protected," said John. "Although the risk of a bank collapsing at the same time as a customer has a high, temporary deposit is relatively small, there is still a risk.

"The FSA's proposal will provide extra, valuable protection and is a positive measure which should be applauded."

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Note to editors:

- APIL responded to the FSA consultation paper: Financial Services Compensation Scheme: temporary high deposit balances. The consultation period closed on Friday, 26 June, 2009. To view APIL's full response, visit <http://files.apil.org.uk/pdf/ConsultationDocuments/1578.pdf>



- APIL (Association of Personal Injury Lawyers) is a not-for-profit organisation, whose members are dedicated to campaigning for improvements in the law to help people who are injured or become ill through no fault of their own.
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