



# Financial Services and Markets Act 2000

## 2000 CHAPTER 8

### PART XV

#### THE FINANCIAL SERVICES COMPENSATION SCHEME

##### *The scheme*

#### **213 The compensation scheme.**

- (1) The Authority must by rules establish a scheme for compensating persons in cases where relevant persons are unable, or are likely to be unable, to satisfy claims against them.
- (2) The rules are to be known as the Financial Services Compensation Scheme (but are referred to in this Act as “the compensation scheme”).
- (3) The compensation scheme must, in particular, provide for the scheme manager—
  - (a) to assess and pay compensation, in accordance with the scheme, to claimants in respect of claims made in connection with regulated activities carried on (whether or not with permission) by relevant persons; and
  - (b) to have power to impose levies on authorised persons, or any class of authorised person, for the purpose of meeting its expenses (including in particular expenses incurred, or expected to be incurred, in paying compensation, borrowing or insuring risks).
- (4) The compensation scheme may provide for the scheme manager to have power to impose levies on authorised persons, or any class of authorised person, for the purpose of recovering the cost (whenever incurred) of establishing the scheme.
- (5) In making any provision of the scheme by virtue of subsection (3)(b), the Authority must take account of the desirability of ensuring that the amount of the levies imposed on a particular class of authorised person reflects, so far as practicable, the amount of the claims made, or likely to be made, in respect of that class of person.

*Status: Point in time view as at 01/01/2006.*

*Changes to legislation: Financial Services and Markets Act 2000, Cross Heading: The scheme is up to date with all changes known to be in force on or before 13 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

- (6) An amount payable to the scheme manager as a result of any provision of the scheme made by virtue of subsection (3)(b) or (4) may be recovered as a debt due to the scheme manager.
- (7) Sections 214 to 217 make further provision about the scheme but are not to be taken as limiting the power conferred on the Authority by subsection (1).
- (8) In those sections “specified” means specified in the scheme.
- (9) In this Part (except in sections 219, 220 or 224) “relevant person” means a person who was—
- (a) an authorised person at the time the act or omission giving rise to the claim against him took place; or
  - (b) an appointed representative at that time.
- (10) But a person who, at that time—
- (a) qualified for authorisation under Schedule 3, and
  - (b) fell within a prescribed category,
- is not to be regarded as a relevant person in relation to any activities for which he had permission as a result of any provision of, or made under, that Schedule unless he had elected to participate in the scheme in relation to those activities at that time.

**Modifications etc. (not altering text)**

- C1** S. 213(3)(a) excluded (31.10.2004) by [The Financial Services and Markets Act 2000 \(Transitional Provisions\) \(Mortgages\) Order 2004 \(S.I. 2004/2615\)](#), arts. 1(2), 5, **Sch. para. 8**
- C2** S. 213(3)(a) excluded (14.1.2005) by [The Financial Services and Markets Act 2000 \(Transitional Provisions\) \(General Insurance Intermediaries\) Order 2004 \(S.I. 2004/3351\)](#), arts. 1(2), **6**
- C3** S. 213(9) excluded (2.7.2002) by [The Financial Services and Markets Act 2000 \(Consequential Amendments and Transitional Provisions\) \(Credit Unions\) Order 2002 \(S.I. 2002/1501\)](#), **art. 5(1)**

**Commencement Information**

- II** S. 213 wholly in force at 18.6.2001; s. 213 not in force at Royal Assent see s. 431(2); s. 213(10) in force for certain purposes at 25.2.2001 by [S.I. 2001/516](#), art. 2(b), **Sch. Pt. 2**; s. 213 in force in so far as not already in force at 18.6.2001 by [S.I. 2001/1820](#), art. 2, **Sch.**

**Status:**

Point in time view as at 01/01/2006.

**Changes to legislation:**

Financial Services and Markets Act 2000, Cross Heading: The scheme is up to date with all changes known to be in force on or before 13 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.