



# Financial Services (Banking Reform) Act 2013

## 2013 CHAPTER 33

### PART 2

#### DEPOSITOR PREFERENCE AND THE FINANCIAL SERVICES COMPENSATION SCHEME

##### *Depositor preference*

#### **13 Preferential debts: Great Britain**

- (1) In Schedule 6 to the Insolvency Act 1986 (categories of preferential debts) after paragraph 15A insert—

##### **“Category 7: Deposits covered by Financial Services Compensation Scheme**

- 15B So much of any amount owed at the relevant date by the debtor in respect of an eligible deposit as does not exceed the compensation that would be payable in respect of the deposit under the Financial Services Compensation Scheme to the person or persons to whom the amount is owed.

##### **Interpretation for Category 7**

- 15C (1) In paragraph 15B “eligible deposit” means a deposit in respect of which the person, or any of the persons, to whom it is owed would be eligible for compensation under the Financial Services Compensation Scheme.
- (2) For this purpose a “deposit” means rights of the kind described in—
- (a) paragraph 22 of Schedule 2 to the Financial Services and Markets Act 2000 (deposits), or

*Status: Point in time view as at 31/12/2014.*

*Changes to legislation: There are currently no known outstanding effects for the Financial Services (Banking Reform) Act 2013, Cross Heading: Depositor preference. (See end of Document for details)*

- (b) section 1(2)(b) of the Dormant Bank and Building Society Accounts Act 2008 (balances transferred under that Act to authorised reclaim fund).”
- (2) In section 386 of the Insolvency Act 1986 (categories of preferential debt), in subsection (1), after “production” insert “ ; deposits covered by Financial Services Compensation Scheme ”.
- (3) In Part 1 of Schedule 3 to the Bankruptcy (Scotland) Act 1985 (list of preferred debts), after paragraph 6A insert—

**“Deposits covered by Financial Services Compensation Scheme**

6B        So much of any amount owed at the relevant date by the debtor in respect of an eligible deposit as does not exceed the compensation that would be payable in respect of the deposit under the Financial Services Compensation Scheme to the person or persons to whom the amount is owed.”

- (4) In Part 2 of Schedule 3 to the Bankruptcy (Scotland) Act 1985 (interpretation of Part 1), after paragraph 9 insert—

**“Meaning of eligible deposit**

- 9A        (1) In paragraph 6B “eligible deposit” means a deposit in respect of which the person, or any of the persons, to whom it is owed would be eligible for compensation under the Financial Services Compensation Scheme.
- (2) For this purpose a “deposit” means rights of the kind described in paragraph 22 of Schedule 2 to the Financial Services and Markets Act 2000 (deposits).”

**Commencement Information**

**II**    S. 13 in force at 31.12.2014 by S.I. 2014/3160, art. 2(1)(a)

**Status:**

Point in time view as at 31/12/2014.

**Changes to legislation:**

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