

Voluntary Compensation Scheme – The ABI’s Response

We have approached the ABI, to see whether the insurance industry would consider funding a voluntary scheme to compensate those consumers with claims against companies that were dissolved before the Financial Services Compensation Scheme (FSCS) was in existence. In response the ABI said that:

“The ABI has carefully considered the issue and decided that it is unable to intervene for two key reasons. Firstly, the ABI does not have the power to bind its members to make payments under such a scheme. Secondly, as the FSA is the body with primary responsibility for compensation arrangements, the ABI feels this issue should rightly be decided by them or by the relevant statutory authorities.”

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