



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Status: This is the original version (as it was originally enacted).

- (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).”