**What does the FSCS cover?**

The Financial Services Compensation Scheme (FSCS) only applies to organisations regulated by the Financial Conduct Authority (FCA). This was the big problem with failed Christmas savings scheme [Farepak](http://forums.moneysavingexpert.com/showthread.html?t=283181" \o "Farepak), as it had no protection whatsoever. When it went bust, the money was gone.

The main categories of protected savings are:

* **Bank and building society accounts**

All UK credit unions, bank or building society [savings accounts](http://www.moneysavingexpert.com/savings/savings-accounts-best-interest), [current accounts](http://www.moneysavingexpert.com/banking/compare-best-bank-accounts) and small business accounts (read [full details](http://www.moneysavingexpert.com/banking/small-business#savings)) are covered to some degree by the FSCS.

Certain types of guaranteed equity bonds, 'deposit accounts' where the interest paid depends on the stock market's performance, may also count for 'savings' protection.

* **Any cash saved within a SIPP pension**

If you have a [self invested personal pension](http://www.moneysavingexpert.com/savings/cheap-sipps) and are keeping some of the money in cash savings there (as opposed to investment funds), then you get the full FSCS savings protection on that, separate to any investment protection (read [full details](http://www.moneysavingexpert.com/savings/cheap-sipps#safe)).

SIPP providers will tell you which banks are holding your cash, so you can check if it's linked to any others you have savings with (see [linked banks](http://www.moneysavingexpert.com/savings/safe-savings#whatcounts) table below).

* **Any cash ISA (including Help to Buy ISAs)**

These are simply tax-free savings accounts, so they have the same FSCS protection as any other savings accounts. This includes the cash ISA's forerunner, the Tessa-Only ISA (Toisa). Plus the ISA money will retain its tax-free status if the institution it's held in goes bust.

Am I protected if my investment company goes bust?

Am I protected if my insurance company goes bust?

What's not covered – saving stamps, clubs, loyalty points and more

Bottom of Form

**How does the protection work?**



All UK-regulated deposits – including money saved and accumulated interest – in bank or building society savings products, are covered by the FSCS.

This is an independent fund set up by government and regulated by the FCA, which promises that, in the event of a bank collapsing, you get some of your money back, though it's likely you'll lose access to the cash while compensation is being dished out.

This applies to everyone, no matter their age (including children), or where they live. Provided the bank is registered in the UK, crucially:

100% of the first £85,000 you have saved, per financial institution, is protected.

The biggest issues here are [what counts as an institution?](http://www.moneysavingexpert.com/savings/safe-savings#whatcounts) and [what's a UK-regulated institution?](http://www.moneysavingexpert.com/savings/safe-savings#foreign) (see later for both). But they're not the only ones... *(click to open/close)*

The rates were different before February 2017

The limit's doubled in a joint account

The threshold includes interest as well

Savings are separate from debts

Protection won't be paid out instantly

Offshore accounts *aren't usually* covered

**What counts as a 'financial institution'?**

There's no easy definition. Over the years, many banks have merged or been taken over, blurring the lines as to what counts. Technically, it's all about the company's registration at the regulator, the FCA.

This can leave some strange results **– for example**:

* **Put money in the Halifax, Bank of Scotland and BM Savings, all part of the same group, and the protection limit is combined. You'd only get £85,000 altogether.**
* **Put money in the Royal Bank of Scotland, NatWest and Ulster, which are all part of the giant RBS conglomerate, and you get separate £85,000 protection for each of the three banks.**

**Is the Nat west bank linked?**

**Natwest (separate to RBS)**

##### This bank isn't linked to any others, for savings safety purposes

This means the £85,000 per person protection isn't shared between any other banks.