

Financial Services Compensation Scheme Levy Calculation Notes 2025/26 Final Rates

HOW IS THE FSCS LEVY CALCULATED?

A. Overview

The FSCS levy is made up of two elements:

- Management expenses; and
- Compensation costs.

Management expenses levy – covers the costs of running the compensation scheme. The management expenses levy is made up of **base costs** (operating costs not directly related to the payment of compensation) and **specific costs** (operating costs that are directly related to the payment of compensation arising from valid claims).

The management expenses levy limit for 2025/26 was consulted on in the joint FCA/PRA consultation paper [CP25/1](#) (January 2025).

Compensation costs levy – provides the funds to make valid compensation payments.

All participant firms are required to contribute to **base costs**. **Specific costs** and **compensation costs** are not payable by FSCS exempt firms or newly authorised firms in their first authorised year.

Firms who are dual regulated will pay FSCS Base Costs towards both their FCA and PRA fee-blocks.

For further details of the FSCS levy for 2025/26, please refer to the [FSCS website](#).

B. Exemptions

Firms that have submitted valid exemptions (under [FEES 6.2.1R](#)), are excluded from specific and compensation costs, but are still liable for their share of base cost levies.

C. FSCS Levy - calculation

To calculate the FSCS Base Costs levy we need to know the Total Base Costs the FSCS require to raise in 2025/26 and the total Regulatory Costs of the FSCS participants for each contribution group within both FCA and PRA. The table below lists the information used for the 2025/26 rates.

Contribution Group	Total Regulatory Cost	FSCS Base Costs to be Levied
AP00	25,807,179	667,693
A000	30,962,016	818,634
A001	100,138,042	2,622,382
A002	24,005,291	635,016
A003	34,938,021	872,891
A004	59,678,043	1,570,609
A006	438,086	10,641
A007	60,668,660	1,569,830
A009	16,220,527	455,983
A010	68,993,048	1,684,867
A013	106,752,872	2,776,358
A014	19,193,919	500,736
A018	24,686,862	639,090
A019	38,749,762	965,565
A021	19,917,288	507,803
A022	7,360,189	192,317
A023	1,854,134	79,845
CC01	15,467,368	312,261
CC02	54,898,851	1,539,589
PA00	563,400	24,505
PA01	210,909,237	11,788,949
PA03	48,143,374	2,541,177
PA04	58,537,474	3,272,382
PA06	142,058	142,058
PA10	13,737,301	758,337
B002	1,000	1,000
Total		36,950,514

To calculate the specific costs levy and compensation costs levy we also need to know the total FSCS tariff data for each class and the amounts FSCS are to raise for each class. The table below details these figures for 2025/26.

Class – Tariff Base	Tariff Base	FSCS Specific Costs	FSCS Class Compensation Costs
SA01	1,680,468,185,786	11,963,949	15,036,051
CLDA	1,680,468,185,786	0	0
SB01 - RNPI	52,453,127,034	6,037,538	57,712,462
SB01 - EL	80,086,451,085	2,012,513	19,237,487
CLGID-1	12,452,030,999	597,232	-597,232
CLGID-2 - RNPI	56,422,127,034	1,388,564	-1,388,564
CLGID-2 - EL	84,375,451,085	462,855	-462,855
CLII-1	11,546,957,441	27,260,910	60,011,818
CLII-2 - RNPI	130,553,280,488	2,981,662	6,563,793
CLII-2 - EL	1,175,536,906,334	993,887	2,187,931

CLII-3	11,718,506,793	5,679,356	12,502,462
CLII-4	1,378,156,433	567,936	1,250,246
CLIP	11,718,506,793	13,064,930	73,935,070
CLHFI-1	1,954,458,884	272,219	-272,219
CLHFI-2	6,257,113	102,082	-102,082
CLDM	280,094,704,372	0	0
Total		73,385,630	245,614,370

Class SA01 - Deposit Takers Risk Based Levy – As set out in the PRA’s policy statement [PS25/16](#) ‘Implementing risk-based levies for the Financial Services Compensation Scheme deposits class’, FSCS compensation costs levies are adjusted for the degree of risk incurred by deposit takers.

A firm’s risk adjustment is calculated using several quantitative indicators such as: capital; leverage; liquidity; and asset quality.

A firm’s aggregate risk weighting will be included on its FCA Regulatory Fees and Levies invoice. More information on the risk adjustment can be found on the [PRA Website](#) or in the PRA’s [Statement of Policy](#) ‘Calculating risk-based levies for the Financial Services Compensation Scheme deposits class’ – paragraph 4.

The FSCS Classes for 2025/26 are as follows:

SA01	Deposit acceptors
SB01	General insurance provision
SC01	Life & pensions provision
CLGID-1	General insurance distribution
CLGID-2	General insurance provision
CLII-1	Life distribution and investment intermediation
CLII-2	Life insurance provision
CLII-3	Investment provision
CLII-4	Structured deposits provision
CLIP	Investment provision claims
CLHFI-1	Home finance intermediation
CLHFI-2	Home finance provision
CLDM	Debt Management
CLFPC	Funeral Plans

Example calculation

Firm X is solo regulated by the FCA and is allocated to the A013 contribution group and in FSCS class CLII-1 (Life distribution and investment intermediation).

At the valuation date of 31 December 2024, it had annual income of £580,000 in respect of FCA fee-block A013 and £340,000 of eligible annual income in respect of FSCS class CLII-1.

Based on the annual income of £580,000 the A013 FCA regulatory cost (the FCA charge after discounts but before deductions) for 2025/26 would be £1,321.92.

The FCA regulatory cost for the minimum fee (fee-block A000) for 2025/26 is £2,000.00, and the FCA prudential costs (fee-block AP00) for 2025/26 would be £134.10

Base Costs Levy: Base costs are calculated by reference to the share of a firm's regulatory cost as a proportion of the total regulatory costs (in each contribution group). The calculation is shown below.

A000 Contribution Group			
Base Costs Levy	<u>Firm's A000 FSCS Reg.Cost x A000 Base Costs</u> to be raised Total A000 FSA Regulatory Costs	<u>2,000 x 818,634</u> 30,962,016	£52.88
Total A000 FSCS Base Costs Levy			£52.88

A013 Contribution Group			
Base Costs Levy	<u>Firm's A013 FSCS Reg.Cost x A013 Base Costs</u> to be raised Total A013 FSA Regulatory Costs	<u>1,321.92 x 2,776,358</u> 106,752,872	£34.38
Total A013 FSCS Base Costs Levy			£34.38

AP00 Contribution Group			
Base Costs Levy	<u>Firm's AP00 FSCS Reg.Cost x AP00 Base Costs</u> to be raised Total A013 FSA Regulatory Costs	<u>134.10 x 661,046.15</u> 25,807,179	£3.43
Total AP00 FSCS Base Costs Levy			£3.43

Compensation and Specific Costs Levy: The Specific and Compensation costs are calculated by reference to the share of the firm's tariff data as a proportion of the total FSCS tariff data (in each FSCS class). These calculations are shown below.

CLII-1 Class: Life Distributions & Investment Intermediation			
Specific Costs Levy	<u>Firm's CLII-1 tariff data x Total FSCS</u> CLII-1 Specific Cost Total CLII-1 fee tariff base	<u>340,000 x 27,260,910</u> 11,546,957,441	£802.70
Compensation Costs Levy	<u>Firm's CLII-1 tariff data x Total FSCS</u> CLII-1 Compensation Cost Total CLII-1 fee tariff base	<u>340,000 x 60,011,818</u> 11,546,957,441	£1,767.05
Total CLII-1 FSCS Levy			£2,569.74

Therefore, the FSCS Levy total for Firm X for 2025/26 will be:

FSCS Levy Type	Value
A000 Levy (Base Costs)	£52.88
A013 Levy (Base Costs)	£34.38
AP00 Levy (Base Costs)	£3.43
CLII-1 Levy (Life Distributions & Investment Intermediation)	£2,569.74
Net FSCS Levy Total	£2,660.43