

December 2014

Dear Colleague,

£50m Repayment to Fund Managers

We are pleased to enclose a cheque made payable to you as a part refund of the interim levy raised in 2010/11 on the Investment Fund Management class. That interim levy in the sum of £325m was largely to meet costs of the claims against Keydata Investment Services. As the amount was in excess of the annual £100 million levy limit of the Investment Intermediary class then the Investment Fund Management class had to contribute £233m by cross subsidy.

On the payment of investors' claims, FSCS took rights to pursue recovery of the cost of compensation. I am pleased to report that this action has been successful, allowing FSCS to make a repayment to the levy paying firms.

We enclose a credit note and cheque for your share of a £50m repayment to the Investment Fund Management class. The total amount has been allocated to firms based upon the 2010/11 tariff data, after the 2013 restatement exercise, so that all firms' share is in the same proportion as the levy. We will publish an account in the new year explaining the total recoveries we have received to date and how much we have spent achieving them. We then aim to make a further repayment to levy payers next year following receipt of the remainder of the recoveries.

If you have any questions about the calculation of this credit note please contact the FCA's Customer Contact Centre on 0845 6069966 or email the fees helpline on fcafees@fca.gov.uk. If you have any questions about the allocation of the levy, please contact the FSCS's Initial Contact Team on 0800 678 1100 or 020 7741 4100 or by email at enquiries@fscs.org.uk.

Yours faithfully,



Mark Neale
Chief Executive