

July 2018

Dear Sir / Madam,

2018/19 FSCS levy for major banking failures of 2008/09

Enclosed is an invoice to cover your portion of the levy for the costs relating to the major banking failures of 2008/09 of £46m. This is as announced in the April issue of Outlook.

The £46m levy will be used to pay loan interest costs accrued in 2017/18 for the outstanding loan on Bradford & Bingley (**B&B**). The total interest cost was £99m, with the balance to be paid from recoveries already received. The levy will also cover the £14m of interest incurred in 2018/19, up to the point that the loan was fully repaid.

The capital balance on this loan (£4.7bn at the start of the financial year) was fully repaid through the proceeds of the sale of certain B&B mortgage assets on 23 May 2018. In March 2018, FSCS made a final payment to HM Treasury in respect of its liabilities arising out of the resolution of Dunfermline Building Society. Following this and the B&B transaction, the only remaining outstanding liability from FSCS to HM Treasury in respect of the 2008/9 failures is for the interest which will be settled through the raising of this levy. Therefore, this will be the last FSCS levy raised in respect of the costs of the 2008/9 failures.

The invoice is payable by 1 September 2018 to enable the loan interest to be paid to HM Treasury by 1 October 2018.

If you have any questions about the calculation of this invoice please contact the FCA's Customer Contact Centre on 0300 500 0597 or email the fees helpline on fcafees@fca.org.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