

Equity release

ER1: 2020-21 edition

Web update 1: 10 July 2020

Please note the following update to your copy of the 2020-21 edition of the **ER1** study text (changes are in **bold**):

Chapter 3, section C5, page 3/10

It must be emphasised that the FOS and the FSCS have entirely different purposes. The FOS is an independent body that deals with customer complaints. It can award compensation of up to **£355,000** per case (plus interest, costs and interest on costs) if the complaint is upheld. The FSCS provides certain minimum financial guarantees to personal customers whose financial services provider becomes insolvent.

Chapter 10, section B, page 10/6

The FOS is empowered to make awards of up to **£355,000**, plus interest, costs and interest on costs. Such awards are binding on the financial institution, and also on the consumer if the award is accepted within the specified time limit. If the consumer does not accept the decision within the required time frame, the firm is not bound but the consumer may take further action through the courts. The Ombudsman can recommend a higher award but this is not binding on the firm.