

Safeguarding of customer funds

Dear Customer

It's important to us that you are aware that we, Payver Limited, are an authorised Electronic Money Institution (EMI), regulated by the Financial Conduct Authority (FCA) in the UK under the Electronic Money Regulations 2011 for the provision of payment services. We would like to be clear regarding the protection of your money when it is held by Payver in the provision of a service to you.

What is e-money?

When you send us money to top up your account balance, we credit the value to spend in your account. The money held in your account is known as 'electronic money' or 'e-money'. While this may sound like what a bank does when funds are received into a current account, we are not a bank and therefore:

- do not take your money as a deposit to use for our own purposes or lend to other customers; and
- your e-money is not covered by the Financial Services Compensation Scheme (FSCS).

To ensure your money is safe we follow a process known as 'safeguarding' which is a regulatory requirement for all EMIs. In this process we keep your money separate from our own money and we achieve this by placing it in a safeguarding account with a bank. We have an independent expert check that we are compliant with our safeguarding obligations every year and the expert's report confirming this is available to the FCA on request.

How does this protect your money?

In the event of Payver going out of business, an insolvency practitioner would be appointed to return the funds we have safeguarded to our customers. This means you would get most of your money back, except for the costs deducted by the insolvency practitioner for distributing the money to our customers.

How does FSCS cover differ from safeguarding?

FSCS protects consumers together with small businesses, limited companies and charities (that meet its eligibility criteria) when certain authorised financial services firms (such as a UK authorised bank) fail and they cannot return your money to you. FSCS is a service funded by those financial service firms who are covered by it. FSCS provides compensation only up to £85,000 per eligible person, per bank, building society or credit union or up to £170,000 for joint accounts. This means if you have money in multiple accounts with banks, building societies or credit unions that are part of the same group (and share a banking licence) the FSCS treats them as one bank. Whereas as all the funds held in an e-money account are safeguarded and the full value (minus administrative costs applied by the insolvency practitioner) will be returned to you in the event that Payver was to go out of business. The insolvency procedure may take longer (as compared to an FSCS claim) for your money to be returned to you.

You can find more information about using a non-bank payment service provider on the website of the FCA at www.fcs.org.uk.

If you have any questions, please contact us at mlro@payver.co.uk