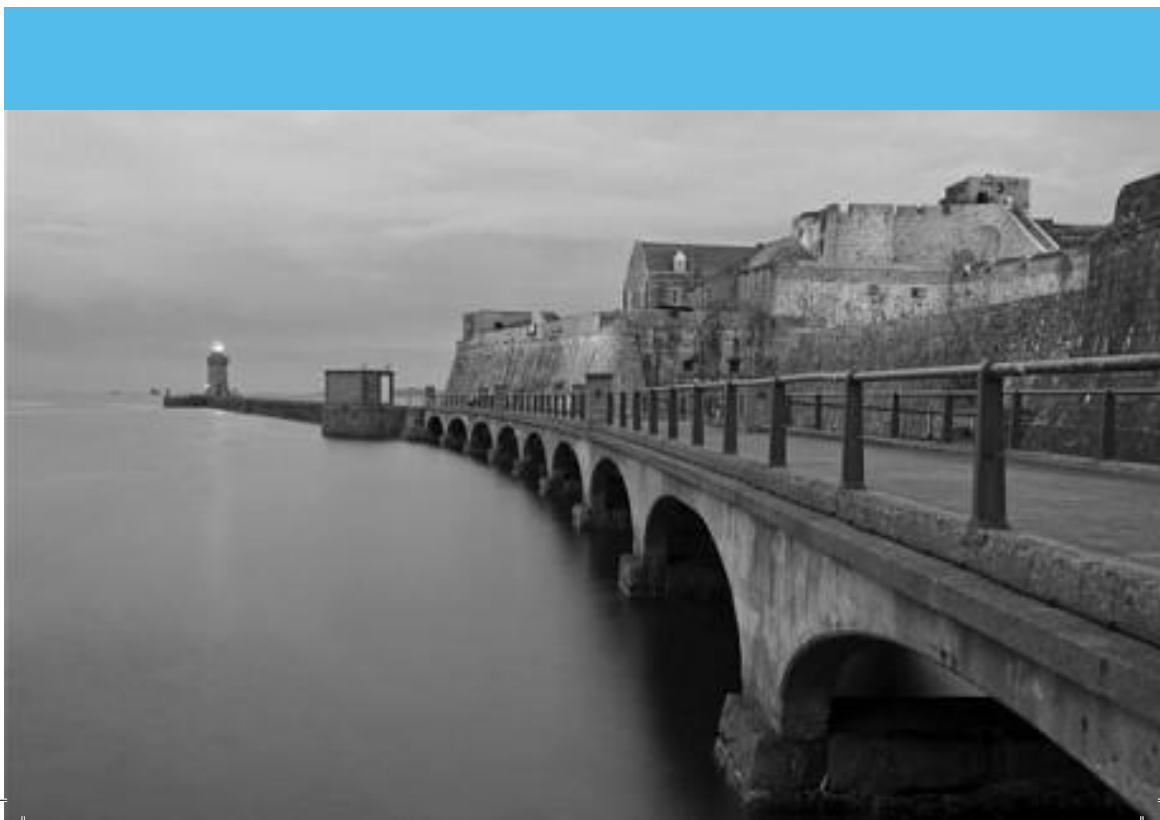




Information Leaflet

October 2026



Introduction

The Guernsey Banking Deposit Compensation Scheme (the Scheme) was introduced in 2008 to provide compensation for retail depositors if a Guernsey licensed bank fails and will not be rescued or resolved. It is governed by its own legislation described under Ordinance below.

Some definitions of key terms are given below. Where these terms appear in the leaflet they are shown in **bold type**.

Definitions

Scheme	The Guernsey Banking Deposit Compensation Scheme
Commission	The Guernsey Financial Services Commission
States	The States of Guernsey, being the body which is responsible for the government of the Island of Guernsey
Board	The Board of the Scheme , which is appointed by the Committee for Economic Development but is independent of both the Commission and the States
Licensed Banks	Banks licensed by the Commission under the Banking Supervision (Bailiwick of Guernsey) Law, 2020
Ordinance	The Banking Deposit Compensation Scheme (Bailiwick of Guernsey) Ordinance, 2008, as amended from time to time
Qualifying Depositor	See summary under 'Key Elements of the Scheme'
Guernsey	All islands in the Bailiwick of Guernsey

*This leaflet is intended to give members of the public a short introduction to the **Scheme**. It is not a substitute for the actual wording of the **Ordinance**.*

*This is only a brief summary of the **Scheme** and you should take note of the details mentioned below. If you have any questions, or need further information, please use the contact details provided.*

Key Elements of the Scheme

- The **Scheme** is intended to provide some protection for people, wherever they live, who deposit money with Guernsey **Licensed Banks**. It is aimed mainly at protecting retail depositors.
- It is operated by an independent statutory **Board**.
- If a **Licensed Bank** fails, it will be declared in default by the **Commission**.
- The **Scheme** provides a maximum compensation of up to £50,000 for each **Qualifying Depositor** (as below) who held deposits with the failed bank. This compensation may be reduced as explained below.
- The Scheme aims to pay compensation as soon as practicable and usually within three months of a **Licensed Bank's** failure.
- The total amount of compensation is capped at £100 million in any five year period. If claims exceed this cap, compensation will be reduced pro rata. The cap also means that compensation in respect of any one bank cannot exceed £100 million.
- The **Scheme** is paid for by the **Licensed Banks** through annual levies and special levies in the event of a failure.

Frequently Asked Questions

*Will I be a **Qualifying Depositor**?*

You will be a **Qualifying Depositor** in respect of a **Licensed Bank** in default if you have a deposit with that bank and you are:

- A personal client¹;
- The trustee of a Guernsey Retirement Annuity Trust;
- A parent or person with parental responsibility holding an account for a child;
- The executor or administrator of a deceased person's estate;
- A Guernsey-registered charity;
- A curateur on behalf of a patient; or
- An attorney under a lasting power of attorney

¹ The **Ordinance** strictly states that the deposit must be made by a "natural person for his (or her) own benefit".

*Which banks are participants in the **Scheme**?*

The **Scheme** covers all **Licensed Banks**. There are other investment bodies which are not Licensed Banks and do not participate in the Scheme, including internet banks, savings schemes or cryptocurrency networks. If you are in doubt, you should check with your bank or provider first.

What about banking 'brands'?

Brands of banks, such as the 'NatWest International' brand operated by Royal Bank of Scotland International Limited, are not **Licensed Banks** in their own right, but participate instead through the banking licence of their operating bank. Both the operating bank and its brand are therefore classed as a single **Licensed Bank** for the purposes of the **Scheme**. A person with a deposit in NatWest International and a deposit in Royal Bank of Scotland International Limited would thus only be entitled to a maximum total of £50,000 in compensation. You need to check the list of **Licensed Banks** carefully to confirm the status of your bank. Alternatively, you should speak to your bank about its status.

*I don't live in Guernsey; am I covered by the **Scheme**?*

Yes. As long as you have an account with a **Licensed Bank** you will be covered by the **Scheme**, wherever you live.

I live in Guernsey but have an account with a bank in the Isle of Man – am I covered?

No. The **Scheme** only covers banks licensed by the **Commission**. If you bank with a bank that is not licensed in **Guernsey** by the **Commission** then your deposit will not be covered by the **Scheme**. You should check whether you are protected by another scheme, such as that applying to the Isle of Man.

I have three accounts with my bank, are all of them covered?

Yes. The **Scheme** provides compensation up to a maximum of £50,000 per person per **Licensed Bank**. If a person has more than one account with a bank then deposits in all of those accounts will be covered, but only up to a total of £50,000. Compensation may be reduced if the £100 million cap is exceeded – see below.

*I have a joint account with my partner, how is that covered by the **Scheme**?*

Half the deposit will be treated as a separate account in your name, to be combined with any other deposits you may have for the purposes of the £50,000 limit. The same applies to your partner and their half of the deposit.

Are trustee accounts covered?

Usually not. The only trustee accounts that are covered are charitable trusts, if they are Guernsey registered charities, and Guernsey Retirement Annuity Trusts approved by the Guernsey Revenue Service (or, at the discretion of the **Board**, similar schemes).

Are company accounts covered?

No. A company is not a **Qualifying Depositor**.

Are sole traders or partnerships covered?

A sole trader will be covered (as a natural person who has made a deposit for his own benefit), unless your business is incorporated as a company.

Like company accounts, partnership accounts are not covered.

Do I get compensation if my account is in a foreign currency?

Yes. The balance will be converted into sterling at the mid-market rate on the date of the default for the purposes of calculating compensation.

How would I receive compensation?

The **Board** will provide full information at the time via the Scheme's website.

How long would I have to wait to receive any compensation?

The **Scheme** aims to pay out as soon as practicable and usually within three months of a bank's failure. No payment can be made until the **Board** has all necessary information to confirm your identity, eligibility and payment details. Your payment details will need to be with a bank which is different to the one which has failed.

*How is the **Scheme** funded? Is it guaranteed by the **States**?*

The **Scheme** is paid for by the **Licensed Banks**, who pay an annual levy to cover administrative costs and will be called upon to pay further levies in the event of a bank default. It is not guaranteed by the **States**.

What happens if claims in total exceed £100 million?

The amount of compensation payable in respect of any one bank cannot exceed £100 million, so any compensation paid might be less than your full deposit. You should ask your bank whether you might be affected. There is also a limit of £100 million for compensation payable in any five year period. If either of these limits were reached, compensation to **Qualifying Depositors** would be reduced so that the total applicable compensation did not exceed £100 million in the five year period².

² Special rules apply if two or more banks fail within a short period.

What happens if the administrator or liquidator recovers funds from the failed bank?

The **Scheme** has a prior claim on any monies that are recovered, up to the amount of compensation paid.

*Who are the **Board** members?*

The names of the current **Board** members are shown on the **Scheme** website.

Further reading

The following documents and other information are available on the **Scheme** website which is shown below.

- Relevant Policy Letters about the **Scheme**, including the original Policy Letter presented to the **States** in November 2008.
- A copy of the **Ordinance**, which established the **Scheme**, including amendments.
- A list of **Licensed Banks** that are participants in the **Scheme**.

The Guernsey Banking Deposit Compensation Scheme has provided this leaflet as a public service. While it has made every effort to ensure that the text of the leaflet and any documents which can be accessed from the website are accurate, this leaflet does not constitute a legally binding statement of the law in the context of the Scheme.



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