

Financial Claims Scheme

What is the Financial Claims Scheme?

The Financial Claims Scheme (FCS) is an Australian Government scheme that provides protection and quick access to deposits in banks, building societies and credit unions in the unlikely event that one of these financial institutions fails.

Under the FCS, certain deposits are protected up to a limit of \$250,000 for each account holder at any bank, building society, credit union or other authorised deposit-taking institution (ADI) that is incorporated in Australia and authorised by the Australian Prudential Regulation Authority (APRA).

How is the Financial Claims Scheme activated?

The FCS can only come into effect if it is activated by the Australian Government when an institution fails. Once activated, the FCS will be administered by the Australian Prudential Regulation Authority (APRA). In an FCS scenario, APRA would aim to pay the majority of customers their protected deposits under the Scheme within seven calendar days.

How is the Financial Claims Scheme limit applied?

The FCS limit of \$250,000 applies to the sum of an account holder's deposits under the one banking license. Therefore, all deposits held by an account holder with a single banking institution must be added together towards the \$250,000 FCS limit, and this includes accounts with any other banking businesses that the licenced banking institution may operate under a different trading name.

To find out more, including the types of accounts that are protected under the FCS, how joint accounts are treated, and what happens when a bank, building society or credit union operates other banking businesses, go to the Banks, Building Societies and Credit Unions page and the Banking FAQs page on the FCS website - www.fcs.gov.au