



PRESS  
INFORMATION

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## GREATER PROTECTION FOR LESSEE FUNDS WELCOMED

Protection of lessees' service charge funds under the Financial Services Compensation Scheme (FSCS) has received a boost with the publication of new guidance on their rights. It has been confirmed that where such funds are held in one bank account, the £50,000 limit relates to each leaseholder's share of the fund – previously it was thought that the limit was £50,000 in total.

“We very much welcome this new guidance, something we have been seeking for over six months”, comments David Hewett, chief Executive of the Association of Residential Managing Agents (ARMA). “The £50,000 total limit meant may tens of thousands of lessees had part of the service charge contributions exposed to a bank failure. Now with the individual limit of £50,000 per contributor it is likely that every one of the 2 million leaseholders in England and Wales are fully covered”.

Published by Communities and Local Government, the guidance is titled *FSCS – Treatment of service charges for residential property* and can be downloaded from <http://www.communities.gov.uk/publications/housing/residentialservicecharges>.

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### Notes to Editor:

#### 1. About ARMA

Formed in 1991, ARMA is the only body in England and Wales to focus exclusively on matters relating to the block or estate management of long leasehold residential property. With over 210 corporate members managing in excess of 800,000 units in more than 32,000 blocks of flats or estates (at least 60% of which are lessee-controlled properties), the Association's founding principal aims are to represent its members and the interests of lessees, resident management companies and investor freeholders.

2. For further press information contact David Hewett on 020 7622 6123 or [david@arma.org.uk](mailto:david@arma.org.uk)

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