

ANNEX 2 to the Public Report of 31 October 2012

Factsheet covering progress of the Scheme

The tables below show the progress which has been made with respect to each part of the compensation scheme. All customers applying for compensation under the Scheme qualify for review of their claims for compensation for mis-selling of insurance. Some customers may also be able to apply for compensation on grounds of excessive lending. So far, 23,014 customers have applied for the Scheme and they are all having their claims for compensation under that part of the Scheme dealing with mis-selling of insurance reviewed. Out of these customers, 13,632 have also applied for compensation under that part of the Scheme dealing with excessive lending.

Compensation for mis-selling of insurance

All customers applying for compensation under the Scheme qualify for review of their claims for compensation for mis-selling of insurance. The figures shown for compensation for mis-selling of insurance therefore relate to the total number of customers registered for the Scheme.

Phase 1 compensation for mis-selling of insurance	Direct complaints and Stakeholder Organisations	Online applications
1. Total number of customers with complaints	10,010	13,004
2. Proposal letters sent out		
Proposal letter sent – customer qualifies for compensation	7,749	4,378
Proposal letter sent – customer does not qualify for compensation	1,310	265
3. Complex cases – customer has been advised that proposal letter will be sent out sometime commencing autumn 2012	951	78
4. Customer responses		
Customers accepting proposal	5,292	3,693
Customers requesting combined proposal	2,987	38
Customers requesting reassessment	376	114
Customers rejecting proposal	22	1
5. Proposals settled and processed	5,235	3,646

Excessive lending

Some customers may also be able to apply for compensation on grounds of excessive lending. Customers whose Phase 1 compensation for mis-selling of insurance has already been processed will receive a letter stating the result of the review of their excessive-lending claim. Customers who have registered for a combined proposal of compensation for both insurance mis-selling and excessive lending will receive a proposal letter containing a total assessment. The claims of these customers are being reviewed for both insurance mis-selling and excessive lending and are therefore included in both the statement of compensation for mis-selling of insurance and the statement for excessive lending presented below.

The assessment of excessive-lending claims requires additional documentation. Customers will accordingly receive a 'documentation request letter' stating precisely what documents they need to submit. Customers who no longer have a loan from DSB Bank do not qualify for excessive-lending compensation. In such cases, customers will receive a rejection letter instead of a documentation request letter.

Phase 2 compensation for excessive lending	Direct complaints and Stakeholder Organisations	Online applications
1. Total number of customers also registered for excessive-lending compensation	5,571	8,061
2. Documentation request letters sent out	3,800	4,088
3. Responses to document request letters		
Claim dropped	116	103
No response	1,299	2,339
Incomplete documentation submitted	843	666
Complete documentation submitted	1,542	980
4. Proposal letters sent with details of excessive-lending compensation assessment		
Offer – customer gets excessive-lending compensation	150	65
Rejection – customer does not get excessive-lending compensation (but is still included in excessive-lending compensation figures)	329	160
Exclusion – customer does not qualify for excessive-lending compensation (no documentation request letter sent)	165	134
5. Customer responses to proposal letter		
Customers accepting proposal with offer of compensation for excessive lending	90	32
Customers rejecting proposal	0	0
Customers requesting reassessment	7	0
6. Proposals settled and processed	84	30