

UKSPA Statement on Reyker's Decision to Levy Additional Charges on Structured Products Investors.

3rd May 2013

Whenever a company goes into administration and investors are either at risk of loss or asked to pay additional fees, this is never a good outcome. But in this particular instance, the full details have not been made public and UKSPA therefore do not feel they are in a position to comment specifically. We are in contact with the regulator to find out about what has led Reyker to their decision to charge investors additional fees, and will be following this up with discussions on how to ensure investors are protected in the future.

We note that some people have suggested investors should be covered by the FSCS. We are interested to see what the regulator's view is on whether that should be the case in this instance, and how the industry can work better at mitigating the risk if it isn't possible. Whilst a longer term course of action to help prevent detriment to investors in the future is being discussed, this needs careful consideration from members to ensure it is robust and captures all potential scenarios, however unlikely they may be. Our priority is to get the best outcome for consumers, not just now but in the future.

UKSPA would stress that, based on the facts at hand, this is not an issue with the underlying products themselves but rather an issue with the firms involved in administering and providing custodial services for the products. This situation could have impacted ANY investment product and it should not be misunderstood, or misreported as a problem specifically for structured products.

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The UK Structured Products Association (UKSPA) was established by the leading providers of structured solutions to UK retail customers in order to provide a useful and responsive source of information and education on structured products and deposits. For more information, please visit www.ukstructuredproductsassociation.co.uk.