

ANNEX 2 to the Public Report of 31 January 2013

Factsheet continued

The Scheme

The tables below show the progress which has been made with respect to each part of the compensation scheme as at 31-12-2012. 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, 23,717 customers have applied for the Scheme. 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, 14,161 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 numbers given below for Phase 1 insurance mis-selling compensation therefore represent the total is of all 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*	10,012	13,705
2. Proposal letters sent out		
Proposal letter sent - customer qualifies for compensation	7,820	6,967
Proposal letter sent - customer does not qualify for compensation	1,333	406
3. Other		
a. Customers having applied for the full amount on offer and having received documentation request letters	487	-
b. Customers having previously benefited from restructuring of their finances; these customers have now been advised of the outcome of their case assessment under the compensation scheme	240	-
c. Customers not qualifying for the Scheme	51	-
d. Complex cases: owing to exceptional circumstances, these customers have not yet received a proposal letter or a documentation request letter	80	5
4. Customer responses		
Customers accepting proposal	5,634	4,855
- Of which, agreement – offer of financial settlement	5,381	4,797
- Of which, agreement – no offer of financial settlement	253	58
Customers requesting combined proposal	2,961	43
Customers requesting reassessment	389	127
Customers rejecting proposal	22	1
5. Proposals settled and processed	5,546	4,696
- Of which, proposals settled with offer	5,293	4,639

*) The number of customers registered for insurance mis-selling compensation includes the number of customers in receipt of compensation connected with HWS products in addition to insurance mis-selling compensation.

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 cases registered for excessive lending compensation	5,639	8,522
2. Documentation request letters sent out	5,108	7,806
Rejection letters sent out – no documentation request letter needed	218	262
3. Responses to documentation request letters		
Claim dropped	161	184
No response	1,581	4,243
Incomplete documentation submitted	1,070	1,264
Complete documentation submitted	2,296	2,115
4. Proposal letters sent out, stating outcome of excessive lending case assessment:		
Offer - customer gets excessive-lending compensation	277	165
Rejection - customer does not get excessive-lending compensation (but is still included in excessive-lending compensation figures)	657	500
Rejection letters sent out – customer does not qualify for excessive lending compensation	218	262
5. Customer responses to proposal letter		
Customers accepting proposal with offer of compensation for excessive lending	202	120
Customers rejecting proposal	1	0
Customers requesting reassessment	34	12
6. Proposals settled and processed	181	110