

Appendix B: The scheme process

Now	<p style="text-align: center;">Step 1</p> <p>This letter makes you aware that you may be entitled to compensation. You do not have to do anything now.</p>
By mid-May 2015	<p style="text-align: center;">Step 2</p> <p>We propose a "scheme of arrangement" as the method to pay compensation. We will write to you inviting you to vote for or against the scheme.</p>
By 23 June 2015	<p style="text-align: center;">Step 3</p> <p>You return your voting form if you want to. If the scheme is approved, you can still claim compensation even if you do not vote.</p>
30 June 2015	<p style="text-align: center;">Step 4</p> <p>The scheme creditors' meeting is held, votes are received and counted.</p>
In July and August 2015	<p style="text-align: center;">Step 5</p> <p>If the scheme creditors vote in favour of the scheme, the High Court will be asked to approve the scheme. If the scheme is approved, we will send you a claim form.</p> <p>You do not have to claim compensation but if you do not return a claim form during this process you will lose the right to claim in the future.</p>
	<p style="text-align: center;">Step 6</p> <p>You return your compensation claim form if you wish to make a claim.</p>
	<p style="text-align: center;">Step 7</p> <p>Your compensation claim form is reviewed within 8 weeks.</p>
	<p style="text-align: center;">Step 8</p> <p>If you submit a compensation claim form before the required deadline you will automatically cancel your card security product (if you still have one). You will no longer be able to use the benefits.</p>
	<p style="text-align: center;">Step 9</p> <p>We will write to tell you the outcome of our review.</p> <p>If you are entitled to compensation we will send you a cheque for the amount you have paid for your product since 14 January 2005, less any sums paid out in respect of the product, plus interest on the amount owed.</p>

Appendix C: Frequently Asked Questions

Why have I been sent a letter?

You bought a card security product through Affinion International Limited (AI), or through a bank or card issuer.

We have written to let you know that you may be entitled to compensation, even if you no longer have a product with AI. AI has voluntarily decided to put in place a compensation scheme through a 'scheme of arrangement', for reviewing whether customers are entitled to compensation.

How do I check that this is a genuine communication?

If you wish to check that this is a genuine letter, you may visit the FCA's web site www.fca.org.uk/affinion-scheme.

What do I need to do now?

You do not have to do anything now. We will write to you with further information by mid-May 2015.

What is the Financial Conduct Authority?

The Financial Conduct Authority (previously the Financial Services Authority) is the independent body that regulates the financial services industry in the UK. It sets the standards that firms must meet and can take action against firms if they fail to meet the required standards.

The letter mentions a vote – what is this for?

The vote is to allow affected customers (past and present) to decide if we should follow the proposed compensation scheme when dealing with complaints about the way card security products were sold.

The compensation scheme will go ahead if it is approved by a majority in number representing at least 75% in value of those scheme creditors who vote, and it is then approved by the High Court.

We will write to you with more information about the proposed compensation scheme by the middle of May. This will include an invitation to vote on whether you are in favour of the scheme.

How do I know if I am entitled to compensation?

If the scheme is finalised after the creditors vote, we will write to you again to ask whether you want to be considered for compensation. This is expected to happen in July and August this year. We will include a form that you will have to complete and return to us before a specified deadline, which we will let you know. If you make a claim before the deadline, you will automatically cancel your product.

We will then review your form to see whether you are entitled to compensation and pay compensation if appropriate. You do not need to do anything at this stage.

If I vote what happens to my card security product?

It will not be cancelled and you (and anyone else covered by the product) can continue to use the benefits of the product.

If I submit a claim form through the scheme what happens to my card security product?

If you submit a claim form seeking compensation before the deadline you will automatically cancel your product. All those covered by the product will cease to be able to use the benefits or be covered by the insurance within the product, regardless of whether or not you are paid compensation.