Life and pensions principles and practices

LP3: 2025–26 edition

Web update 1: 29 January 2026

Please note the following update to your copy of the 2025–26 edition of the **LP3** study text:

On 1 December 2025, the Financial Services Compensation Scheme (FSCS) deposit protection limit increased from £85,000 to £120,000. The limit applicable to certain temporary high balance claims also increased on 1 December 2025 from £1 million to £1.4m.

Therefore, the following content should be updated as noted in **bold**.

Chapter 6, section C1, page 6/8

The table and subsequent ‘Be aware’ box in this section should read:

Compensation limits

Type of business	Level of cover
Long-term insurance, compulsory insurance (third party motor and employers’ liability), professional indemnity insurance, certain claims for injury, sickness or infirmity of the policyholder, long term care insurance	100% of the claim without limit
Deposits	**£120,000 (from 1 December 2025 – this was previously £85,000)** per eligible person, per firm **(£240,000 (from 1 December 2025 – this was previously £170,000)** for joint accounts)
Investments	£85,000 per eligible person, per firm
Mortgages	£85,000 per eligible person, per firm
Pensions	Pension provider – 100% of the claim without limit SIPP operator – £85,000 of the claim per person, per firm Bad pension advice – £85,000 per eligible person, per firm

FSCS deposit protection limit

Depositors with temporary high balances are covered up to **£1.4 million** for six months from the date the money is transferred into their account, or the date on which the depositor becomes entitled to the amount, whichever is later. This is to ensure that depositors are protected when they deposit funds as a result of specified events, until they have had sufficient time to spread the risk between institutions to protect these funds appropriately. The specified events include funds received following the sale of a home or from a divorce settlement or inheritance.

Notes

- This change will be examined from 27 February 2026.
- This update will be incorporated into the digital copies (printable PDF and ebook) of the study text, available on RevisionMate.