

Investment principles and risk

R02: 2025–26 edition

Web update 3: 03 March 2026

Please note the following update to your copy of the 2025–26 edition of the R02 study text – [this replaces web update 2, issued on 29 January](#):

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 1, section B2A, page 1/4:

Financial Services Compensation Scheme

In the UK, the Financial Services Compensation Scheme (FSCS) is the statutory fund of last resort that can be called upon in the event of the failure of a bank or other financial firm. Under the FSCS, the protection provided for deposits is 100% of the first £85,000 (**until 30 November 2025**) or **£120,000 (from 1 December 2025)** per authorised institution.

Chapter 1, section B2A, page 1/5:



Be aware

- Temporary high balances, such as those resulting from a large deposit or transaction (e.g. sale of a property), are protected by the FSCS up to £1 million (**until 30 November 2025**) or **£1.4m (from 1 December 2025)** for a period of six months, providing additional security for depositors during this time.
- If deposit accounts are held at banks and building societies that are subsidiaries of a larger group, and it is only the parent company that is authorised, only the first £85,000 (**until 30 November 2025**) or **£120,000 (from 1 December 2025)** is protected.
- UK branches of European Economic Area (EEA) authorised deposit-taking firms (for example, an EEA bank) are UK-authorised and members of the FSCS. Eligible deposits are therefore protected up to £85,000 (**until 30 November 2025**) or **£120,000 (from 1 December 2025)**.

Chapter 6, section D1D, page 6/4:

- UK deposit-taking institutions generally provide some limited statutory protection for depositors. The maximum protection is currently 100% of the first £85,000 (**until 30 November 2025**) or **£120,000 (from 1 December 2025)** held through the Financial Services Compensation Scheme (FSCS).

Chapter 8, section K4, page 8/57:

Risk profile	<ul style="list-style-type: none"> • the assets that form the structure of the product; • the risks to the original capital invested; • the extent of any capital protection; • provisions relating to limited protection; and • the extent of protection under the FSCS, structured deposit plans have protection up to £85,000 (until 30 November 2025) or £120,000 (from 1 December 2025) per investor.
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Chapter 8, section L2, page 8/59:

Cash put into UK banks or building societies authorised by the PRA is protected by the FSCS – the deposit protection limit is £85,000 (**until 30 November 2025**) or **£120,000 (from 1 December 2025)**. **For joint accounts, the FSCS deposit protection limit is £170,000 (until 30 November 2025) or £240,000 (from 1 December 2025)** per authorised firm.

Chapter 1 self-test answers, page i:

- 2 Up to 100% of the first £85,000 (**until 30 November 2025**) or **£120,000 (from 1 December 2025)**.

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.