

## London Scottish goes into administration

London Scottish Bank, a specialist financial services company, has gone into administration.

By Telegraph Staff

8:33AM GMT 01 Dec 2008

The lender, which this morning asked for trading in its shares to be suspended, said it had sought an administration order after the financial regulator stopped the company from accepting deposits.

The Financial Services Authority acted yesterday after the company said that while a number of parties remain interested in buying the group, there was no certainty an offer would be made or that its shortfall in regulatory capital can be remedied in the short to medium term.

The lender announced on September 17 that it continued to have a shortfall of regulatory capital and was engaged in talks with parties to buy the business.

The move by the FSA meant London Scottish Bank was unable to renew maturing deposits. As a result it instructed its lawyers to take immediate steps to petition the court for an Administration Order.

This was made by the Court at 11.54pm yesterday.

Thomas Burton, Margaret Mills, Thomas Jack, and Simon Allport all of Ernst & Young have been appointed as joint administrators.

The Treasury said a statement that the Chancellor had put in place arrangements to ensure that all depositors in the bank who are eligible to claim under the Financial Services Compensation Scheme will receive their money in full, including those with balances above the current £50,000 FSCS limit.

The Government will cover all deposits in excess of the FSCS limit.

London Scottish said it will work closely with the administrators to minimise the effect on employees.

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