Andover Town Council

Item No.

- To **receive** and **note** the following report:
  Protection Limit for Deposits in UK
- To **review** and **approve** an increase of funds to the Unity Trust Bank Deposit Account
- To **instruct** Officers to action the transfer of funds as approved.

Produced for: Full Council	By: Deputy RFO	Date of Report: 08.01.2026

Purpose of the Report:
The purpose of this report is to inform Council of recent changes to the Financial Services Compensation Scheme (FSCS) deposit protection limits and to seek approval to increase funds held in the Unity Trust Bank Deposit Account and (or) the Redwood Bank Account, in line with the revised limits.

Background:
The (FSCS) provides protection for deposits held in UK banks, building societies, and credit unions.
Historically, the FSCS deposit protection limit was set at £85,000 per person, per authorised firm.
With effect from 1 December 2025, this limit has been increased to **£120,000** per person, per authorised firm.
For joint accounts, the protection applies per individual, providing coverage of up to £240,000 per joint account. In addition, the FSCS provides temporary protection for certain high balances (such as proceeds from property sales) of up to £1.4 million for a period of six months.
This change allows the Andover Town Council to hold higher balances with a single authorised institution while remaining fully protected under the FSCS.

Current Position:

Bank Accounts	**Current Balance as at 08.01.2026**
Unity Trust Bank Deposit Account	£92,384.96
Redwood Bank	£92,148.76
Both balances are currently within the revised FSCS protection limit of £120,000 per authorised firm.	

Consideration:
Whilst research into additional accounts is ongoing, the increase in the FSCS protection limit provides greater flexibility in cash management and does reduce the need to distribute funds across multiple banking institutions solely for deposit protection purposes.

Recommendations

- **To receive and note the report.**
- **To review and approve an increase of funds to the Unity Trust Bank Deposit Account.**
- **To instruct Officers to action the transfer of funds as approved.**