

Guidance

Making a claim for a grant from IPReg's compensation fund

NOTE: this Guidance does not form part of IPReg's regulatory arrangements.

The regulatory arrangements set out in detail how the compensation fund will operate. They can be found [here](#). If there is a conflict between the regulatory arrangements and this Guidance, the regulatory arrangements take precedence.

Purpose of the fund

1. The fund has been established to protect individual consumers if they are the victim of negligence, fraud or other dishonesty on the part of a regulated person.
2. The fund has been established with the following limits:
 - a. Any one claim: £25,000
 - b. Any one firm: £100,000
 - c. Total fund: £100,000
3. Payment of grants from the fund are made at IPReg's discretion. No one has a right to receive a grant. The fund is a fund of last resort; claimants are expected to have exhausted other avenues of recovery before making a claim on the fund and examples of these are set out in paragraph 7 of this document.

Who can make a claim?

4. Individual consumers and micro-enterprises are eligible to make a claim on the fund if hardship has been caused. Micro-enterprises are [defined](#) by the UK Government as an entity that has any 2 of the following:
 - a. a turnover of £632,000 or less
 - b. £316,000 or less on its balance sheet
 - c. 10 employees or [fewer]
5. You can only claim if you have suffered a loss as a result of the negligence, fraud or other dishonesty on the part of a regulated person.
6. As set out in our [Compensation Arrangements Rules](#),¹ (**Rules**) you must make an application for a grant not more than one year after you first knew, or with reasonable diligence should have known, about the negligence, fraud or other dishonesty.

¹ Rule 6.1(b)

What to do before you make a claim

7. The fund is a “last resort” fund. IPReg’s Rules² set out the steps that applicants must take before they make a claim on the fund. These are to:
 - a. pursue any civil remedy against the Registered Body or Sole Practitioner who is the subject of the application to the extent that it is reasonably practicable to do so;
 - b. commence insolvency proceedings against that Registered Body or Sole Practitioner (if they have not already been commenced) where possible;
 - c. make a formal complaint to the Police or other agency against that Registered Body or Sole Practitioner; and
 - d. assist in the taking of any action against that Registered Body or Sole Practitioner to the extent that it is reasonably practicable to do so.

Making a claim – information required

8. As set out in our Rules³, the burden of proving an application is on you and you must provide IPReg with any documents or other information that it may require about your claim.
9. When you first make a claim, we will expect you to provide at least the following information:
 - a. Your name, address, contact details and proof of identity;
 - b. Proof of your eligibility to claim;
 - c. Details of the attorney and/or firm that you consider was responsible for your loss and hardship;
 - d. Confirmation that you have undertaken all the steps outlined in paragraph 7 of this Guidance;
 - e. An explanation of how the loss occurred including all relevant correspondence with the attorney and/or firm;
 - f. Why you consider that the loss occurred because of the dishonesty of the firm/attorney;
 - g. Written evidence that you have suffered actual loss of money (or something that has a monetary value);
 - h. Evidence that you have suffered hardship;
 - i. All the other steps you have taken to recover the loss.

² Rule 7.2(b)

³ Rule 6.3

Factors that IPReg may consider in coming to its decision whether to make a grant

10. All grants are discretionary and the factors that IPReg may take into account when deciding whether to pay a grant may include issues such as:
 - a. Your conduct and the conduct of anyone connected to you and whether that conduct contributed to the circumstances of the loss;
 - b. Whether you have pursued the application to IPReg diligently and have provided in a timely way information that IPReg has requested;
 - c. Whether sufficient funds are available to meet the claim in full or whether, in fairness to possible future applicants, a grant should be reduced or a nominal sum paid.

Making a grant

11. Decisions whether or not to make a grant will be made by the IPReg Board. There is no right of appeal.
12. Applications may be granted in whole, in part or refused.
13. The grant will be reduced by any amount that has already been (or should have been) recovered. Costs of making a claim and/or lost interest are not normally recoverable from the compensation fund.

This Guidance may be updated from time to time.

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