

Client money - Q & A

BUX is a trading name of ayondo markets Limited. ayondo markets Limited is a company registered in England and Wales under register number 03148972. ayondo markets Limited is authorised and regulated by the Financial Conduct Authority, FCA Register number 184333.

1. Is my money safe?

Yes, your money is safe.

BUX is a trading name of ayondo markets Limited. ayondo markets Limited is authorised and regulated by the Financial Conduct Authority (“FCA”) and is covered by the Financial Services Compensation Scheme (“FSCS”). The FCA has very strict regulations (in more detail below) about client money designed to protect retail and professional clients.

BUX is fully committed to following these regulations in both the letter and the spirit. In addition, the FSCS would compensate clients if BUX were unable to meet its financial obligations. More details below.

2. What do you mean by segregation?

Segregation means your money is kept separate from BUX own business money in pooled client money bank accounts. These accounts are maintained with reputed banks.

BUX follows ‘normal approach’ specified in CASS 7 of the FCA handbook. Under the normal approach, all the client money is directly deposited into client money account with a bank as soon as possible. A daily internal reconciliation of client money is performed and shortages, if any, are transferred immediately from our own money.

3. How is my money safe?

We ensure that stringent controls are in place to secure client money. Some of these are:

- Daily internal reconciliations are performed to make sure that we have enough client money to pay all our retail client liabilities as and when requested
- Client money is only held in reputed global banks and periodic reviews are carried out to make sure that these banks are in good financial condition
- Regular client money reports are submitted to FCA demonstrating our liquidity and solvency
- All client money is held on deposit in Trust accounts with banks, so that any creditors of BUX would have no legal right to it nor can BUX use any of this money to cover its obligations, and is subject to controls and procedures required by the FCA
- Annual client money audit

In addition, BUX is covered by the Financial Services Compensation Scheme (“FSCS”). This means that in the unlikely event of BUX being unable to meet its financial obligations, the FSCS could compensate for the shortfall up to £85,000.

4. What is FSCS?

The FSCS is the UK’s compensation fund of last resort for customers of authorised financial services firms. FSCS may pay compensation if a firm is unable, or likely to be unable, to pay claims against it. This is usually because it has stopped trading or has been declared in default.

It is independent of the government and the financial industry, and was set up under the Financial Services and Markets Act 2000, becoming operational on 1 December 2001 (although it still covers claims from before this date). It does not charge individual consumers for using its service.

Please refer to FSCS website or call 0800 678 1100 for more details.

5. What happens if BUX defaults?

If BUX goes into liquidation, it would be considered a 'primary pooling event' in the FCA handbook. In case of a 'primary pooling event', a client's main claim is for the return of the client money held in the client money bank account. A client may be able to claim for any shortfall against money held in a firm's own account. For that claim, the client will be an unsecured creditor of the firm.

If after the liquidation of the company, any client claim is not settled in full the client could approach the FSCS. The FSCS would be able to cover the shortfall to the extent of £85,000 per person. Please refer to FSCS website for more details

6. What if the bank or third party with whom my money is placed fails?

Failure of a bank or third party, with which client money is placed by us, is considered a 'secondary pooling event' in the FCA handbook. In case of a 'secondary pooling event', money held in each general client money bank account and client transaction account (with third parties other than banks) must be treated as pooled. Any shortfall in client money that has arisen as a result of the failure of the bank/third party must be borne by all the clients rateably in accordance with their entitlements.

Just like in a Primary Pooling event (as in point 5), clients may approach FSCS to settle to the extent of £85,000 per person per firm for deposit claims or £85,000 per person per firm for investments (unrealised profits). Please refer to FSCS website for more details.

7. In the event of liquidation, what happens to my investments/unrealised P&L?

As explained in Q5, if, after the liquidation of the company any client claim is not settled in full, the client could approach the FSCS. The FSCS would be able to settle the shortfall to the extent of £85,000 per person.

8. In the event of the liquidation of BUX, what happens to my open positions?

BUX or its administrators would do everything possible to find another suitable firm to transfer your open positions. On failure to find a suitable firm, your position would be liquidated.

9. How long does it takes for FSCS to refund my money?

The length of time each claim takes to process depends on a number of factors, some of which are entirely outside the FSCS's control, but the FSCS will try to process you claim within the following timeframes:

Claims against deposit takers

The FSCS will aim to pay compensation in the majority of cases within seven days of a bank, building society or credit union failing. Any remaining claims, which are likely to be more complex, will be paid within 20 working days.

Claims against all other companies

The FSCS tries to resolve all claims against Investment firms within six months of receipt of your correctly completed Claim Application Form, or within six months of the company being declared in default (whichever is later).

10. What is the process to request my money from FSCS?

Once an authorised firm is declared in default by FSCS, they may try to contact you with an application form. You may also contact them in the meantime. You submit the application form which is reviewed and process your claim. They would inform you of their decision in writing.