

## What is Safeguarding?

Safeguarding is keeping our customers' funds separate from Aston's. The Payment Services Regulations ("PSRs") requires Aston to do so to protect customer's funds in the unlikely event of the insolvency of Aston. This means we ensure that 100% of the funds we received for the provision of payment services are safeguarded on receipt. Your funds are segregated from all other funds that Aston holds and cannot be used for any other purposes. This is separate from the additional funds that Aston holds to meet its corporate obligations and run its business. Safeguarded funds are held in specially designated client accounts at credit institutions (banks) or the Bank of England (see 'Where is my money safeguarded?' below).

## Is Aston a bank?

Aston is not a bank, we're a payment service provider (PSP) and more specifically, an Authorised Payment Institution (API). This means Aston is a third-party financial institution that carries out payment services and in the UK, we are authorised by the Financial Conduct Authority (FCA).

## How is Aston different from a bank?

Aston is not allowed to hold funds on account, so when you send us money, it must be accompanied by an onwards payment instruction. We therefore cannot take deposits, cannot do lending and do not pay interest on your funds.

## Who regulates Aston?

Integral FX LLP trading as Aston Currency Management ("Aston") (FRN: 581992) is authorised by the FCA as an API. For AML purposes, the firm is supervised and registered with HMRC (ref:XLML00000180945).

Payment services in the UK are subject to the Payment Services Regulations (PSRs). The PSRs apply to all payment services, meaning in relation to payment services, there is no difference in how Aston and other payment service providers and banks are regulated.

## What funds is Safeguarded?

The requirement to safeguard only applies to "**relevant funds**" under the PSRs.

Relevant funds are defined as:

- sums received from, or for the benefit of, a customer for the execution of a payment transaction; and
- sums received from a payment service provider (PSP) for the execution of a payment transaction on behalf of a customer.

This means that safeguarding extends to funds that are not received directly from our clients, but includes, funds received by Aston from another PSP, for the benefit our customers. Aston will only receive funds (including relevant funds) via bank transfer. Such funds will be safeguarded by Aston for the benefit of the payer or payee.

The FX service Aston provides is closely related and considered ancillary to, but not "in the course of" providing a payment service. The funds which are for the purposes of an FX transaction (but not classed as a payment transaction) are therefore not considered relevant funds for the purposes of safeguarding.

## How does Aston safeguard your funds?

Aston implements the segregation method when safeguarding our customer funds. This means Aston ensures that 100% of the funds we receive for the provision of payment services, are separate and safeguarded on receipt. This means these funds are kept separate from all other funds Aston holds and cannot be used for any other purposes. Such safeguarded funds are held in specially designated client accounts.

## Where is my money Safeguarded?

Your money is safeguarded by Lloyds Bank plc (Lloyds). The safeguarded accounts are appropriately named to easily identify that it is a safeguarding account.

## When does the safeguarding start and end?

Aston's obligation to safeguard starts **immediately** on receipt of 'relevant funds'.

For Aston accepting monies, for example in the provision of money remittance services, the funds will be deemed to be received, as soon as it is paid into Aston's safeguarded (segregated) payment account at Lloyds.

The safeguarding obligation therefore starts as soon as Aston receives the relevant funds from/for benefit of its client.

The safeguarding obligation remains in place until the funds are no longer held by Aston on behalf of its client. Once funds leave the safeguarded (segregated) account at Lloyds, it will no longer be considered safeguarded. It will only leave the segregated account on payment instruction from our client and acceptance by Lloyds. We include some visual examples for you to understand.

## What is FSCS and is it applicable to Aston?

The FSCS offers consumers protection of their bank deposits up to £85,000 maximum, or £170,000 for a joint account, in the event of a bank failure. The FSCS scheme only applies to banks, and therefore is **not relevant** to an API such as Aston. However, as mentioned, Safeguarding means that 100% of customer money at Aston, regardless of the amount, is segregated from all other funds that we hold and cannot be used for any other purpose.

## What would happen in the unlikely event of Aston's insolvency?

In the unlikely event of an insolvency event occurring in relation to Aston, then:

- with one exception, the claims of customers will be paid from the relevant funds and assets that have been segregated in priority to all other creditors; and
- An independent insolvency professional (referred to as an 'insolvency practitioner') will be appointed to return your funds to you.

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The exception is that expenses of the insolvency proceedings take priority so far as they are in respect of the costs of distributing. Where an insolvency practitioner is unable to take their costs of sending the funds to you from elsewhere (for example, the general pot of Aston funds) they are entitled to take their costs from your funds. In this unlikely circumstance, while you'll likely receive most of your funds you may not receive the total value if costs are deducted.

Aston is required to prepare an orderly wind down plan for such circumstances. These plans include the early identification of a potential insolvency event and the return of your funds before an insolvency process, if possible. The process of returning your funds by an insolvency practitioner is likely to take longer than if you were making a claim in the FSCS.