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Contract

## **Independent Insurance Claims Handling Services**

Financial Services Compensation Scheme

F03: Contract award notice

Notice identifier: 2025/S 000-001714

Procurement identifier (OCID): ocds-h6vhtk-04d43f

Published 17 January 2025, 2:05pm

### **Section I: Contracting authority**

#### **I.1) Name and addresses**

Financial Services Compensation Scheme

Beaufort House, 15 St. Botolph Street

London

EC3A 7QU

#### **Email**

[procurement@fscs.org.uk](mailto:procurement@fscs.org.uk)

#### **Telephone**

+44 2073758194

#### **Country**

United Kingdom

**Region code**

UK - United Kingdom

**Internet address(es)**

Main address

[www.fscs.org.uk](http://www.fscs.org.uk)

**I.4) Type of the contracting authority**

Body governed by public law

**I.5) Main activity**

Economic and financial affairs

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**Section II: Object****II.1) Scope of the procurement****II.1.1) Title**

Independent Insurance Claims Handling Services

**II.1.2) Main CPV code**

- 66510000 - Insurance services

**II.1.3) Type of contract**

Services

**II.1.4) Short description**

Handling of FSCS protected claims in respect of Independent Insurance Company Ltd.

**II.1.6) Information about lots**

This contract is divided into lots: No

### **II.1.7) Total value of the procurement (excluding VAT)**

Value excluding VAT: £4,005,600

## **II.2) Description**

### **II.2.3) Place of performance**

NUTS codes

- UK - United Kingdom

Main site or place of performance

UNITED KINGDOM

### **II.2.4) Description of the procurement**

For the provision of claims handling services in relation to II CL

### **II.2.5) Award criteria**

Quality criterion - Name: Criterion 1 / Weighting: 0

Cost criterion - Name: Price / Weighting: 0

### **II.2.11) Information about options**

Options: No

### **II.2.13) Information about European Union Funds**

The procurement is related to a project and/or programme financed by European Union funds: No

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## Section IV. Procedure

### IV.1) Description

#### IV.1.1) Type of procedure

Award of a contract without prior publication of a call for competition in the cases listed below

- The services can be provided only by a particular economic operator for the following reason:
  - absence of competition for technical reasons

Explanation:

FSCS has awarded the contract to Western Mortgage Services Limited (WMSL) under Regulation 32(2)(b)(ii) of the Public Contracts Regulations 2015 on the basis that the services can only be provided by that firm as competition is absent for technical reasons and no reasonable alternative exists. This is for two principal reasons. Specifically, this contract is for Independent Insurance Company Limited (in liquidation) (“IICL”) insurance run-off claims handling for FSCS in the context of FSCS carrying out its public law statutory function. It is a technical exercise requiring a unique set of knowledge and skills and not simply an administrative or straightforward claims handling. The complex and bespoke nature of the service (and vulnerable nature of individuals benefitting from it) means that a particularly experienced and skilled cohort of staff is essential for the delivery to the required quality standards. FSCS does not consider that it would be possible for any other provider to develop sufficient skills and knowledge nor to recruit and train sufficiently qualified staff within an acceptable time period, leading to an unacceptably long transition period, given the initial contract term of only two years. Such a long transition period would have an adverse effect on timely meeting of claims and risk destabilising service provision. FSCS therefore considers that to award the contract to an alternative provider would lead to an unacceptable degree of risk to performance of the services and FSCS being able to discharge its statutory duties. The documentation and data required for the ongoing work is held across a number of platforms, some dating back many years and incompatible with current technology. The firm appointed needs full access to, and ability to use, all such documentation and data as it relates to FSCS “protected claims” to carry out the work. As a result, the identification, conversion, extraction and migration of the relevant data to a state and platform which would be usable by any service provider other than this company (or an associated company) would be so complex, time-consuming and costly as to be prohibitive. In addition, aspects of the arrangement are subject to confidentiality obligations to which FSCS is not a party, adding further complication. All of FSCS’s requirements for this service

are objectively justified by the nature, complexity and context of the services, factors relating to the individuals making the relevant claims, the way in which documents and data are held and the existence of third party confidentiality arrangements to which FSCS is not a party. The absence of competition is not the result of an artificial narrowing of the parameters of the procurement and no reasonable alternative exists. It is not reasonable to relax any of the above requirements as this would expose FSCS and its customers to an unacceptable degree of risk.

#### **IV.1.8) Information about the Government Procurement Agreement (GPA)**

The procurement is covered by the Government Procurement Agreement: Yes

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### **Section V. Award of contract**

A contract/lot is awarded: Yes

#### **V.2) Award of contract**

##### **V.2.1) Date of conclusion of the contract**

12 December 2024

##### **V.2.2) Information about tenders**

Number of tenders received: 1

The contract has been awarded to a group of economic operators: No

##### **V.2.3) Name and address of the contractor**

Western Mortgage Services Limited

2 Kingdom Street, Paddington

London

W2 6BD

Country

United Kingdom

NUTS code

- UK - United Kingdom

National registration number

03191608

The contractor is an SME

No

#### **V.2.4) Information on value of contract/lot (excluding VAT)**

Total value of the contract/lot: £4,005,600

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## **Section VI. Complementary information**

### **VI.3) Additional information**

The initial contract duration is until 31st March 2027. There will be an option for FSCS to extend the contract from the expiry of the Initial Term on up to 2 occasions for a maximum duration of up to 12 months on each of those occasions. Please note in relation to Section II.2.5) Award Criteria. Due to the process, the default values of the notices have been entered

To view this notice, please click here:

<https://www.delta-esourcing.com/delta/viewNotice.html?noticeId=861817177>

GO Reference: GO-2025117-PRO-29162857

### **VI.4) Procedures for review**

#### **VI.4.1) Review body**

The Royal Court of Justice

The Strand

London

Country

United Kingdom