How we keep your money safe

While it’s important that you understand how we protect your money when you send it to Modulr®, and we work closely with industry partners and our regulators to make sure this message is communicated clearly. Our UK regulator, the Financial Conduct Authority (FCA), has recently asked all authorised e-money institutions (AEMIs), which includes Modulr, to remind their customers how their funds are protected. The European Commission has also issued a joint statement on payment service providers on the Using payment service providers | FCA page.

We hope this email was useful and helps you understand how your money is protected. Please do not hesitate to contact your customer success representative if you have any additional questions on the way in which Modulr protects client funds. You can find more information about using a non-bank payment service provider on the "Using payment service providers" page.

Yours faithfully,

Modulr

How Modulr protects your money

We hold 100% of your funds separately from Modulr’s own funds and in an account that is clearly identifiable as being for our clients with a bank. This means that any money you send to your Modulr account is held separately from Modulr’s own money and we are put into an account with a bank where it is labeled as being specifically for our clients. The rules concerning how we protect your money in this way are referred to as ‘safeguarding’.

Our access to the Bank of England enables us to hold the majority of your funds in special accounts at the Bank of England and, when necessary for treasury and payment scheme settlement, we hold funds with other banks in the same way.

In the unlikely event that Modulr becomes insolvent, your funds are separate from Modulr’s own funds and therefore the creditors of Modulr (other third parties that are owed money from Modulr) are not able to make a claim or have any effect on your funds.

In addition to the safeguarding and further ‘own fund’ requirements we’re also subject to external audit review. This further reduces the unlikely event of your funds having to be returned during our insolvency.

An independent insolvency professional (referred to as an ‘insolvency practitioner') will be appointed to return your funds to you. However, where an insolvent scheme, including the FSCS, is unable to make a claim or have any effect on your funds, then an insolvency practitioner is appointed to return your funds and ensure that the funds of Modulr and therefore the creditors of Modulr (other third parties that are owed money from Modulr) are not able to make a claim or have any effect on your funds.

As Modulr is not a bank we don’t have access to and therefore don’t protect your money the same way a bank does. However, as an AEMI, we’re subject to two important sets of regulation which are the Payment Services Regulations 2017 and the Electronic Money Regulations 2011. It’s worth noting that all payment services have to be subject to these two regulations and in this way we are subject to additional supervision by the FCA and an independent audit to ensure that we comply with our obligations (which also means we have to have certain accounts and hold funds at the Bank of England).

Like all AEMIs, Modulr is covered by two important sets of regulations which are the Payment Services Regulations 2017 and the Electronic Money Regulations 2011. It’s worth noting that all payment services have to be subject to these two regulations and in this way we are subject to additional supervision by the FCA and an independent audit to ensure that we comply with our obligations (which also means we have to have certain accounts and hold funds at the Bank of England).

In addition to the safeguarding and further ‘own fund’ requirements we’re also subject to external audit review. This further reduces the unlikely event of your funds having to be returned during our insolvency.

An independent insolvency professional (referred to as an ‘insolvency practitioner') will be appointed to return your funds to you. However, where an insolvent scheme, including the FCS, is unable to make a claim or have any effect on your funds, then an insolvency practitioner is appointed to return your funds and ensure that the funds of Modulr and therefore the creditors of Modulr (other third parties that are owed money from Modulr) are not able to make a claim or have any effect on your funds.

As Modulr is not a bank we don’t have access to and therefore don’t protect your money the same way a bank does. However, as an AEMI, we’re subject to two important sets of regulation which are the Payment Services Regulations 2017 and the Electronic Money Regulations 2011. It’s worth noting that all payment services have to be subject to these two regulations and in this way we are subject to additional supervision by the FCA and an independent audit to ensure that we comply with our obligations (which also means we have to have certain accounts and hold funds at the Bank of England).

Like all AEMIs, Modulr is covered by two important sets of regulations which are the Payment Services Regulations 2017 and the Electronic Money Regulations 2011. It’s worth noting that all payment services have to be subject to these two regulations and in this way we are subject to additional supervision by the FCA and an independent audit to ensure that we comply with our obligations (which also means we have to have certain accounts and hold funds at the Bank of England).

In addition to the safeguarding and further ‘own fund’ requirements we’re also subject to external audit review. This further reduces the unlikely event of your funds having to be returned during our insolvency.

An independent insolvency professional (referred to as an ‘insolvency practitioner') will be appointed to return your funds to you. However, where an insolvent scheme, including the FCS, is unable to make a claim or have any effect on your funds, then an insolvency practitioner is appointed to return your funds and ensure that the funds of Modulr and therefore the creditors of Modulr (other third parties that are owed money from Modulr) are not able to make a claim or have any effect on your funds.

As Modulr is not a bank we don’t have access to and therefore don’t protect your money the same way a bank does. However, as an AEMI, we’re subject to two important sets of regulation which are the Payment Services Regulations 2017 and the Electronic Money Regulations 2011. It’s worth noting that all payment services have to be subject to these two regulations and in this way we are subject to additional supervision by the FCA and an independent audit to ensure that we comply with our obligations (which also means we have to have certain accounts and hold funds at the Bank of England).

Like all AEMIs, Modulr is covered by two important sets of regulations which are the Payment Services Regulations 2017 and the Electronic Money Regulations 2011. It’s worth noting that all payment services have to be subject to these two regulations and in this way we are subject to additional supervision by the FCA and an independent audit to ensure that we comply with our obligations (which also means we have to have certain accounts and hold funds at the Bank of England).

In addition to the safeguarding and further ‘own fund’ requirements we’re also subject to external audit review. This further reduces the unlikely event of your funds having to be returned during our insolvency.

An independent insolvency professional (referred to as an ‘insolvency practitioner') will be appointed to return your funds to you. However, where an insolvent scheme, including the FCS, is unable to make a claim or have any effect on your funds, then an insolvency practitioner is appointed to return your funds and ensure that the funds of Modulr and therefore the creditors of Modulr (other third parties that are owed money from Modulr) are not able to make a claim or have any effect on your funds.

As Modulr is not a bank we don’t have access to and therefore don’t protect your money the same way a bank does. However, as an AEMI, we’re subject to two important sets of regulation which are the Payment Services Regulations 2017 and the Electronic Money Regulations 2011. It’s worth noting that all payment services have to be subject to these two regulations and in this way we are subject to additional supervision by the FCA and an independent audit to ensure that we comply with our obligations (which also means we have to have certain accounts and hold funds at the Bank of England).

Like all AEMIs, Modulr is covered by two important sets of regulations which are the Payment Services Regulations 2017 and the Electronic Money Regulations 2011. It’s worth noting that all payment services have to be subject to these two regulations and in this way we are subject to additional supervision by the FCA and an independent audit to ensure that we comply with our obligations (which also means we have to have certain accounts and hold funds at the Bank of England).

In addition to the safeguarding and further ‘own fund’ requirements we’re also subject to external audit review. This further reduces the unlikely event of your funds having to be returned during our insolvency.

An independent insolvency professional (referred to as an ‘insolvency practitioner') will be appointed to return your funds to you. However, where an insolvent scheme, including the FCS, is unable to make a claim or have any effect on your funds, then an insolvency practitioner is appointed to return your funds and ensure that the funds of Modulr and therefore the creditors of Modulr (other third parties that are owed money from Modulr) are not able to make a claim or have any effect on your funds.

As Modulr is not a bank we don’t have access to and therefore don’t protect your money the same way a bank does. However, as an AEMI, we’re subject to two important sets of regulation which are the Payment Services Regulations 2017 and the Electronic Money Regulations 2011. It’s worth noting that all payment services have to be subject to these two regulations and in this way we are subject to additional supervision by the FCA and an independent audit to ensure that we comply with our obligations (which also means we have to have certain accounts and hold funds at the Bank of England).