



House of Commons

Thursday 3 December 2020

PUBLIC BILL COMMITTEE PROCEEDINGS

FINANCIAL SERVICES BILL

[FIRST TO TWELFTH SITTINGS]

GLOSSARY

This document shows the fate of each clause, schedule, amendment and new clause.

The following terms are used:

Added: New Clause agreed without a vote and added to the Bill.

Agreed to: agreed without a vote.

Agreed to on division: agreed following a vote.

Negatived: rejected without a vote.

Negatived on division: rejected following a vote.

Not called: debated in a group of amendments, but not put to a decision.

Not moved: not debated or put to a decision.

Question proposed: debate underway but not concluded.

Withdrawn after debate: moved and debated but then withdrawn, so not put to a decision.

Not selected: not chosen for debate by the Chair.

FIRST AND SECOND SITTINGS

John Glen

Agreed to

That—

- (1) the Committee shall (in addition to its first meeting at 9.25 am on Tuesday 17 November) meet—
 - (a) at 2.00 pm on Tuesday 17 November;
 - (b) at 11.30 am and 2.00 pm on Thursday 19 November;
 - (c) at 9.25 am and 2.00 pm on Tuesday 24 November;
 - (d) at 11.30 am and 2.00 pm on Thursday 26 November;
 - (e) at 9.25 am and 2.00 pm on Tuesday 1 December;

Financial Services Bill, *continued*

- (f) at 11.30 am and 2.00 pm on Thursday 3 December;
- (2) the Committee shall hear oral evidence in accordance with the following Table:

TABLE

<i>Date</i>	<i>Time</i>	<i>Witness</i>
Tuesday 17 November	Until no later than 10.25 am	Prudential Regulation Authority; Financial Conduct Authority
Tuesday 17 November	Until no later than 10.55 am	UK Finance
Tuesday 17 November	Until no later than 11.25 am	International Capital Market Association
Tuesday 17 November	Until no later than 2.45 pm	The Investment Association
Tuesday 17 November	Until no later than 3.30 pm	TheCityUK; City of London Corporation
Tuesday 17 November	Until no later than 4.00 pm	The Association for Financial Markets in Europe
Tuesday 17 November	Until no later than 4.30 pm	The British Private Equity and Venture Capital Association
Tuesday 17 November	Until no later than 5.00 pm	StepChange Debt Charity
Thursday 19 November	Until no later than 12.15 pm	Spotlight on Corruption
Thursday 19 November	Until no later than 2.45 pm	The Association of British Insurers
Thursday 19 November	Until no later than 3.30 pm	Transparency International
Thursday 19 November	Until no later than 4.15 pm	The Finance Innovation Lab; Positive Money
Thursday 19 November	Until no later than 5.00 pm	Hon Albert Isola MP, Minister for Digital, Financial Services and Public Utilities, Her Majesty's Government of Gibraltar

- (3) proceedings on consideration of the Bill in Committee shall be taken in the following order: Clause 1; Schedule 1; Clause 2; Schedule 2; Clauses 3 to 5; Schedule 3; Clauses 6 and 7; Schedule 4; Clauses 8 to 21; Schedule 5; Clause 22; Schedules 6 to 8; Clauses 23 and 24; Schedule 9; Clauses 25 to 27; Schedule 10; Clause 28; Schedule 11; Clauses 29 to 44; new Clauses; new Schedules; remaining proceedings on the Bill;

Financial Services Bill, *continued*

- (4) the proceedings shall (so far as not previously concluded) be brought to a conclusion at 5.00 pm on Thursday 3 December.

John Glen

That, subject to the discretion of the Chair, any written evidence received by the Committee shall be reported to the House for publication.

Agreed to

John Glen

That, at this and any subsequent meeting at which oral evidence is to be heard, the Committee shall sit in private until the witnesses are admitted.

Agreed to

The following witnesses gave oral evidence:

Victoria Saporta, Executive Director of Prudential Policy, Prudential Regulation Authority; Sheldon Mills, Interim Executive Director of Strategy and Competition, and Edwin Schooling Latter, Head of Markets Policy, Financial Conduct Authority.

Simon Hills, Director, Prudential Regulation, and Daniel Cichocki, Director, LIBOR transition, UK Finance.

Paul Richards, Managing Director, Head of Market Practice and Regulatory Policy, International Capital Markets Association.

Chris Cummings, Chief Executive, Investment Association.

Emma Reynolds, Managing Director, Public Affairs, Policy and Research, The CityUK; Catherine McGuinness, Deputy, and Chair of the Policy and Resources Committee, City of London Corporation.

Adam Farkas, CEO, and Constance Usherwood, Prudential Director, Association for Financial Markets in Europe.

Gurpreet Manku, Deputy Director General, British Private Equity and Venture Capital Association.

Peter Tutton, Head of Policy, StepChange.

THIRD AND FOURTH SITTINGS

The following witnesses gave oral evidence:

Dr Susan Hawley, Executive Director, Spotlight on Corruption.

Hugh Savill, Director, Association of British Insurers.

Duncan Hames, Director of Policy, Transparency International.

Jesse Griffiths, Chief Executive Officer, Finance Innovation Lab; Fran Boait, Executive Director, Positive Money.

Hon. Albert Isola MP, Minister for Digital and Financial Services, HM Government of Gibraltar.

Financial Services Bill, *continued*

FIFTH AND SIXTH SITTINGS

Pat McFadden
Abena Oppong-Asare
Jeff Smith

Negated on division 19

Clause 1, page 2, line 21, at end insert—

“(7A) The Secretary of State must, within three years of this Act being passed, prepare, publish and lay before Parliament a report on the impact of the amendments to the Capital Requirements Regulation made by this section and Schedule 1 to this Act.

(7B) The report must assess the impact on—

- (a) financial stability;
- (b) competitiveness; and
- (c) consumer risk.”

Clause agreed to.

Schedule 1 agreed to.

Clause 2 agreed to.

Pat McFadden
Abena Oppong-Asare
Jeff Smith

Negated on division 20

Schedule 2, page 63, line 5, at end insert—

“(ba) the target for net UK emissions of greenhouse gases in 2050 as set out in the Climate Change Act 2008 as amended by the Climate Change Act (2050 Target Amendment) Order 2019, and”

Pat McFadden
Abena Oppong-Asare
Jeff Smith

Negated on division 21

Schedule 2, page 63, line 5, at end insert—

“() high standards in social practice and corporate governance including pay, adherence to equalities legislation, transparency and corporate responsibility, and”

Alison Thewliss
Stephen Flynn

Negated on division 38

Schedule 2, page 63, line 5, at end insert—

“(ba) the likely effect of the rules on trade frictions between the UK and EU, and”

Financial Services Bill, *continued*

Alison Thewliss
Stephen Flynn

Not called 39

Schedule 2, page 63, line 5, at end insert—

- “(ba) the likely effect of the rules on the UK meeting its international and domestic commitments on tackling climate change, and”

Pat McFadden
Abena Oppong-Asare
Jeff Smith

Withdrawn after debate 22

Schedule 2, page 63, line 10, at end insert—

“(2A) The FCA must not make Part 9C rules unless—

- (a) a draft of those rules has been submitted for scrutiny by a select committee of either House of Parliament which has a remit which includes responsibility for scrutiny of such rules, and
(b) any such committee has expressed a view on the draft of those rules.”

John Glen

Agreed to 1

Schedule 2, page 76, line 31, leave out “143O(4), (6) or (8)” and insert “143O(3), (6) or (8)(b)”

Schedule, as amended, agreed to.

Pat McFadden
Abena Oppong-Asare
Jeff Smith

Withdrawn after debate 23

Clause 3, page 4, line 31, at end insert—

“(9A) The Treasury must, within six months of making any regulations under this section, prepare, publish and lay before Parliament a report setting out—

- (a) the reasons for the revocation of the provisions of the Capital Requirements Regulations being made under the regulations;
(b) the Treasury’s assessment of the impact of the revocation on—
(i) consumers;
(ii) competitiveness;
(iii) the economy.”

Clause agreed to.

Clauses 4 and 5 agreed to.

Financial Services Bill, *continued*

Alison Thewliss
Stephen Flynn

Schedule 3, page 79, line 25, after “activities” insert “in the UK and internationally” *Withdrawn after debate* **40**

Pat McFadden
Abena Oppong-Asare
Jeff Smith

Schedule 3, page 79, line 29, at end insert— *Not called* **24**
“(ca) the target for UK emissions of greenhouse gases in 2050 as set out in the Climate Change Act 2008 as amended by the Climate Change Act (2050) Target Amendment Order 2019, and”

Pat McFadden
Abena Oppong-Asare
Jeff Smith

Schedule 3, page 79, line 29, at end insert— *Not called* **25**
“() high standards in social practice and corporate governance including pay, adherence to equalities legislation, transparency and corporate responsibility.”

Alison Thewliss
Stephen Flynn

Schedule 3, page 79, line 29, at end insert— *Not called* **41**
“(ca) the likely effect of the rules on trade frictions between the UK and EU, and”

Alison Thewliss
Stephen Flynn

Schedule 3, page 79, line 29, at end insert— *Not called* **42**
“(ca) the likely effect of the rules on the UK meeting its international and domestic commitments on tackling climate change, and”

Pat McFadden
Abena Oppong-Asare
Jeff Smith

Schedule 3, page 79, line 35, at end insert— *Not called* **26**
“(2A) The PRA must not make CRR rules unless—
(a) a draft of those rules has been submitted for scrutiny by a select committee of either House of Parliament which has a remit which includes responsibility for scrutiny of such rules; and
(b) any such committee has expressed a view on the draft of those rules.”

Financial Services Bill, continued

Pat McFadden
Abena Oppong-Asare
Jeff Smith

Negatived on division 27

Schedule 3, page 80, line 8, at end insert—

- “(7) The PRA must, at least once every five years, review the provisions of this section.
- (8) The Treasury must lay before Parliament a report setting out—
- (a) the outcomes of this review; and
 - (b) any changes the Treasury proposes to make as a result of this review.
- (9) The Treasury may by regulations make any changes identified in subsection (8)(b).
- (10) Regulations under subsection (9) may not be made unless a draft has been laid before and approved by a resolution of each House of Parliament.”

John Glen

Agreed to 2

Schedule 3, page 84, line 19, leave out paragraph (b) and insert—

- “(b) section 144D (explanation to accompany consultation on rules);
- (c) section 144E(1) and (4) to (7) (exceptions from sections 144C and 144D).”

Schedule, as amended, agreed to.

Clauses 6 and 7 agreed to.

John Glen

Agreed to 32

Schedule 4, page 89, line 11, at end insert—

- “11A(1) Article 500d (temporary calculation of exposure value of regular-way purchases and sales awaiting settlement in view of COVID-19 pandemic) is amended as follows.
- (2) In the heading, omit “Temporary”.
- (3) In paragraph 1, omit “until 27 June 2021,.”

Schedule, as amended, agreed to.

Financial Services Bill, continued

SEVENTH AND EIGHTH SITTINGS

Pat McFadden
Abena Oppong-Asare
Jeff Smith

Withdrawn after debate **28**

Clause **8**, page **7**, line **38**, at end insert—

- “(7) In reviewing critical benchmarks in accordance with Article A20 of the Benchmarks regulation as amended by this Act the FCA must have regard to—
- (a) ensuring a benchmark is based on actual trades or contracts;
 - (b) preventing a benchmark from manipulation for the benefit of anyone submitting information to that benchmark; and
 - (c) robust sanctions up to and including custodial sentences for anyone found to be engaged in manipulation or attempted manipulation of a benchmark.”

Clause agreed to.

Clauses 9 to 15 agreed to.

John Glen

Agreed to **3**

Clause **16**, page **23**, line **13**, leave out “latest” and insert “most recent previous”

Clause agreed to.

Clauses 17 to 21 agreed to.

Schedule 5 agreed to.

Clause 22 agreed to.

John Glen

Agreed to **4**

Schedule **6**, page **100**, line **31**, at end insert—

“(ia) an order under section 143S, or”

John Glen

Agreed to **5**

Schedule **6**, page **100**, line **34**, after “56” insert “or 143S”

John Glen

Agreed to **6**

Schedule **6**, page **123**, line **32**, leave out “67” and insert “67(1)”

Financial Services Bill, continued

John Glen
Schedule 6, page 123, line 38, leave out “67” and insert “67(2)” *Agreed to* 7

John Glen
Schedule 6, page 124, line 37, leave out “67” and insert “67(1)” *Agreed to* 8

John Glen
Schedule 6, page 124, line 43, leave out “67” and insert “67(2)” *Agreed to* 9

John Glen
Schedule 6, page 125, line 17, leave out “this Part of this Schedule” and insert “paragraph 64 or 65 (or both)” *Agreed to* 10

John Glen
Schedule 6, page 125, line 19, leave out “The power under sub-paragraph (1) includes power to” and insert “A UK regulator may, by giving a direction,” *Agreed to* 11

Schedule, as amended, agreed to.

Schedules 7 and 8 agreed to.

Clauses 23 and 24 agreed to.

John Glen
Schedule 9, page 151, line 16, leave out “granting an application under section 271A” and insert “under section 271A granting an application under that section” *Agreed to* 12

John Glen
Schedule 9, page 154, line 43, leave out “271G” and insert “271A” *Agreed to* 13

John Glen
Schedule 9, page 155, line 14, leave out “271G” and insert “271A” *Agreed to* 14

John Glen
Schedule 9, page 155, line 24, leave out “271G” and insert “271A” *Agreed to* 15

John Glen
Schedule 9, page 156, line 7, leave out “271G” and insert “271A” *Agreed to* 16

Financial Services Bill, *continued*

John Glen

Schedule 9, page 156, line 29, leave out “271G” and insert “271A” *Agreed to* 17

Schedule, as amended, agreed to.

NINTH AND TENTH SITTINGS

Clauses 25 to 27 agreed to.

John Glen

Schedule 10, page 164, line 7, leave out “services” and insert “investment services, or performing investment activities,” *Agreed to* 18

Schedule, as amended, agreed to.

Clause 28 agreed to.

Schedule 11 agreed to.

Clauses 29 to 31 agreed to.

Pat McFadden
Abena Oppong-Asare
Jeff Smith

Clause 32, page 38, line 22, leave out subsection (2) and insert— *Withdrawn after debate* 29

“(2) Section 7 of that Act (debt respite scheme: regulations) is amended in accordance with subsections (2A), (3) and (4).

(2A) For subsection (2), substitute—

“(2) After receiving advice from the single financial guidance body under section 6, the Secretary of State shall make regulations establishing a debt respite scheme within 12 months of this Act coming into force.””

Stella Creasy

Clause 32, page 38, line 23, at end insert— *Negated on division* 34

“(2A) After subsection (3) insert—

“(3A) Where, by virtue of subsection 2, the Secretary of State makes regulations establishing a debt respite scheme, the time period that the debtor protections provided for by virtue of section 6(2)(a) and section 6(2)(b) shall be no less than 120 days.””

Financial Services Bill, continued

Stella Creasy

Negated on division 35

Clause 32, page 38, line 23, at end insert—

“() After subsection (3) insert—

“() Where, by virtue of subsection 2, the Secretary of State makes regulations establishing a debt respite scheme, these regulations shall not extend to placing debt advice providers under any obligation to initiate a review of debtor eligibility for the protections provided by the scheme.””

Stella Creasy

Withdrawn after debate 33

Clause 32, page 38, line 38, after “applies.” insert—

“(4B) The regulations must include provision for an assessment, before the introduction of any debt repayment plan, of the debtor’s resources by a debt advice provider which must—

(a) disregard the value of the debtor’s main residence, provided that this does not exceed the median house price reported by the Land Registry for the local authority in which the debtor resides;

(b) make a recommendation about the timetable under which the individual can repay the debt whilst maintaining a living standard at least equivalent to that of households in the second quintile of income distribution.”

(4C) The regulations must require any debt repayment plan to take account of the assessment under subsection (4B) in determining the timetable over which the debt can be repaid.

(4D) The regulations must make provision for a revised assessment in the event that it is not possible for the debtor to repay their debts within three years and maintain the required living standard during this period, in which the debt advice provider must consider, and offer advice on, insolvency options available to the debtor.”

Clause agreed to.

Alison Thewliss

Stephen Flynn

Withdrawn after debate 36

Clause 33, page 39, line 30, at end insert—

“(c) the successor account must bear, in each financial year, at least the same level of bonus as the mature account before maturation.”

Alison Thewliss

Stephen Flynn

Negated on division 37

Clause 33, page 39, line 30, at end insert—

“(7) Regulations under sub-paragraph (2) may only be made if the conditions in sub-paragraph (8) are met.

(8) The conditions referred to in sub-paragraph (7) are—

(a) there must be an account available to any affected customer which provides at least as generous a bonus structure as the matured account.

(b) the customer must have been successfully contacted by a relevant department or public body.

Financial Services Bill, continued

- (c) the customer must have been given full and accessible information on the effects of changing account.”

Clause agreed to.

Pat McFadden
Abena Oppong-Asare
Jeff Smith

Negated on division 30

Clause 34, page 40, line 33, after “performance” insert “including information relating to environmental, social and governance standards.”

Pat McFadden
Abena Oppong-Asare
Jeff Smith

Not called 31

Clause 34, page 40, line 33, at end insert—

- “(4A) The FCA shall ensure that in practice the amendment made as a result of subsection (4) does not result in consumers having a reduced understanding of the risks associated with a particular investment product.”

Clause agreed to.

Clauses 35 to 44 agreed to.

ELEVENTH AND TWELFTH SITTINGS

Pat McFadden
Abena Oppong-Asare
Jeff Smith

Not called NC1

To move the following Clause—

“Annual review of the CRR rules

- (1) The Secretary of State must, once each financial year, prepare, publish and lay before Parliament a review of the changes to CRR rules made by the PRA in the relevant financial year.
- (2) The review must include an assessment of the impact of any changes to CRR rules on—
 - (a) consumers;
 - (b) competitiveness; and
 - (c) the wider economy.”

Financial Services Bill, continued

Pat McFadden
Abena Oppong-Asare
Jeff Smith

Negatived on division NC2

To move the following Clause—

“European Union regulatory equivalence for UK-based financial services businesses

- (1) The Treasury must prepare and publish a report on progress towards regulatory equivalence recognition for UK-based financial services firms operating within the European Union.
 - (2) This report should include—
 - (a) the status of negotiations towards the recognition of regulatory equivalence for UK financial services firms operating within the European Union;
 - (b) a statement on areas in where equivalence recognition has been granted to UK based businesses on the same basis as which the UK has granted equivalence recognition to EU based businesses; and
 - (c) a statement on where such equivalence recognition has not been granted.”
-

Pat McFadden
Abena Oppong-Asare
Jeff Smith

Not called NC3

To move the following Clause—

“Help to Save annual report

- (1) The Treasury must prepare and publish an annual report on the Help to Save scheme for each financial year in which the scheme remains open to new accounts.
 - (2) The report must cover the following matters—
 - (a) the performance of the scheme;
 - (b) observations on take-up including, where applicable, reasons for take up being low;
 - (c) actions the Treasury proposes to take to increase take up of the scheme; and
 - (d) progress towards implementing successor accounts for the Help to Save savers.
 - (3) A report must be laid before both houses of Parliament no later than 31 October in the financial year following the financial year to which the report relates.
 - (4) The first annual report would be laid before both Houses of Parliament by 31 October 2021 and relate to the 2020-21 Financial year.”
-

Financial Services Bill, *continued*

Pat McFadden
Abena Opong-Asare
Jeff Smith

Withdrawn after debate NC4

To move the following Clause—

“Strategy for financial services

- (1) The Treasury must prepare and publish a report on the Government’s strategy for financial services after the UK has left the European Union.
- (2) The report should include statements on the Government’s proposed approach to—
 - (a) regulation of the sector;
 - (b) market access for overseas firms;
 - (c) competitiveness of the sector; and
 - (d) the environmental, social and governance objectives for the sector.
- (3) The report must be published within 6 months of the passage of this Act.”

Pat McFadden
Abena Opong-Asare
Jeff Smith

Withdrawn after debate NC5

To move the following Clause—

“Regulation of lead generators for debt advice and debt solution services

In section 22 of the Financial Services and Markets Act 2000 (regulated activities), after subsection 1A insert—

- “(1AA) An activity is also a regulated activity for the purposes of this Act if it is an activity of a specified kind which is carried on by way of business and relates to—
- (a) effecting an introduction of an individual to a person carrying on debt advice and debt solution services, or
 - (b) effecting an introduction of an individual to a person who carries on an activity of the kind specified in paragraph (a) by way of business.””
-

Financial Services Bill, continued

Pat McFadden
Abena Opong-Asare
Jeff Smith

Negated on division NC6

To move the following Clause—

“Duty of Care for Financial Service Providers

- (1) The Financial Services and Markets Act 2000 is amended as follows.
- (2) In section 1C, after subsection 2(e) insert—
 - “(ea) the general principle that firms should not profit from exploiting a consumer’s vulnerability, behavioural biases or constrained choices;”
- (3) After section 137C insert—

“137CA FCA general rules: duty of care

- (1) The power of the FCA to make general rules includes the power to introduce a duty of care owed by authorised persons to consumers in carrying out regulated activities under this Act.
- (2) The FCA must make rules in accordance with subsection (1) which come into force no later than six months after the day on which this Act is passed.””

Pat McFadden
Abena Opong-Asare
Jeff Smith

Not selected NC7

To move the following Clause—

“Financial resilience and debt respite

- (1) For the purpose of this section financial resilience is defined as the ability of an individual or household to cope with a reduction in income or unexpected expense without experiencing financial difficulties or borrowing to make ends meet.
- (2) The Secretary of State must publish and lay before Parliament a report containing—
 - (a) data on the number of individuals and households of different types that do and do not meet the definition of financial resilience in subsection 1;
 - (b) An estimate of how the measures required in (a) may change in the subsequent 12 months;
 - (c) The steps that Government will take over the following 12 months to improve the financial resilience of UK households, including but not limited to—
 - (i) giving respite from vulnerability to debt;
 - (ii) improving precautionary savings;
 - (iii) access to financial services.

Financial Services Bill, *continued*

- (3) The first report must be published before the end of the financial year ending on 31 March 2022.
- (4) Later reports must be published before the end of each subsequent financial year.”

Pat McFadden
Abena Oppong-Asare
Jeff Smith

Withdrawn after debate NC8

To move the following Clause—

“Money laundering: electronic money institutions

- (1) The Proceeds of Crime Act 2002 is amended as follows.
- (2) In section 303Z1(1) after “bank” insert “, authorised electronic money institution”.
- (3) In section 303Z1(6) after “Building Societies Act 1986;” insert—
 - ““authorised electronic money institution” has the same meaning as in the Electronic Money Regulations 2011.”
- (4) In section 340(14)(b) after “Bank” insert “, or
 - (c) a business which engages in the activity of issuing electronic money”.”

Pat McFadden
Abena Oppong-Asare
Jeff Smith

Withdrawn after debate NC9

To move the following Clause—

“Public country-by-country reporting by financial services companies

- (1) The Treasury must, every year, publish and lay before both Houses of Parliament a report on its progress in pursuit of international action on public country-by-country reporting by relevant bodies.
 - (2) The report must include an update on whether the Treasury intends to require the group tax strategies of relevant bodies to include a country-by-country report, pursuant to paragraph 17(6) of Schedule 19 to the Finance Act 2016.
 - (3) The first report must be laid before both Houses of Parliament within six months of this Act being passed.
 - (4) For the purposes of this section, a “relevant body” means a body authorised by or registered with the Financial Conduct Authority.”
-

Financial Services Bill, continued

Pat McFadden
Abena Oppong-Asare
Jeff Smith

Withdrawn after debate NC10

To move the following Clause—

“FCA recommendation to remove a self-regulatory organisation: Ministerial statement

- (1) When the FCA makes a recommendation that a self-regulatory organisation be removed from Schedule 1 to the MLR pursuant to Paragraph 17 of the Oversight of Professional Body Anti-Money Laundering and Counter Terrorist Financing Supervision Regulations 2017, the Treasury must make a statement to Parliament.
- (2) The statement must be made within four weeks of the recommendation being made.
- (3) The statement to Parliament must set out—
 - (a) the Government’s response to the FCA’s recommendation;
 - (b) the likely impact on the sector of any action the Government is proposing to take, including—
 - (i) the impact of the organisation retaining its Anti-Money Laundering supervisory responsibilities if the Government decides not to remove the organisation from Schedule 1 to the MLR; and
 - (ii) where the Government intends to place an organisation’s Anti-Money Laundering supervisory responsibilities if it decides to remove the organisation from Schedule 1 to the MLR; and
 - (c) where applicable, a timescale for the removal of the self-regulatory organisation from Schedule 1 to the MLR.
- (4) For the purposes of this section, “MLR” means the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.”

Christine Jardine

Not called NC11

To move the following Clause—

“Extension of the Breathing Space and Mental Health Crisis Moratorium

- (1) The Debt Respite Scheme (Breathing Space Moratorium and Mental Health Crisis Moratorium) (England and Wales) Regulations 2020 shall be amended as follows.
 - (2) In paragraph 1(2), for “4th May 2021” substitute “31st January 2021”.
 - (3) In paragraph 26(2), for “60 days” substitute “12 months”.
-

Financial Services Bill, *continued*

Christine Jardine

Not called NC12

To move the following Clause—

“Impact of COVID-19 on the Debt Respite Scheme: Ministerial report

- (1) The Treasury must prepare and publish a report on the impact of the COVID-19 pandemic on the implementation of the Debt Respite Scheme.
- (2) The report must include—
 - (a) a statement on the extent to which changes to levels of household debt caused by the COVID-19 pandemic will affect the usage and operation of the Debt Respite Scheme;
 - (b) a statement on the resilience of UK households to future pandemics and other financial shocks, and how these would affect the usage and operation of the Debt Respite Scheme; and
 - (c) consideration of proposals for the incorporation of a no-interest loan scheme into the Debt Respite Scheme for financially vulnerable individuals affected by the COVID-19 pandemic.
- (3) The report must be laid before Parliament no later than 28 February 2021.”

Stella Creasy

Not called NC14

To move the following Clause—

“Help-to-Save accounts: report on effectiveness

- (1) The Secretary of State must, within six months of the passing of this Act, and thereafter on an annual basis until 2027, lay before the House of Commons a report on the effectiveness of Help-to-Save accounts..
- (2) The report in subsection (1) must cover—
 - (a) levels of take-up of Help-to-Save accounts;
 - (b) an analysis of the typical financial assets held by target users of the Help-to-Save scheme;
 - (c) an analysis of alternative forms of access to finance available to target users of the Help-to-Save scheme; and
 - (d) the effectiveness of the measures introduced by section 33.”

Stella Creasy

Not called NC15

To move the following Clause—

“Financial Conduct Authority: regard to consumer detriment

- (1) The Financial Services and Markets Act 2000 shall be amended as follows.

Financial Services Bill, *continued*

- (2) In section 1C(2), after paragraph (h), insert—
- “(i) the prevention of consumer detriment, including but not limited to the promotion of unaffordable debt.”
-

Stella Creasy

Withdrawn after debate NC16

To move the following Clause—

“Consumer credit: extension of FCA rule-making duty

- (1) Section 137C of the Financial Services and Markets Act 2000 shall be amended as follows.
- (2) In subsection (1A), substitute “one or more specified descriptions of regulated” for “all forms of consumer”.
-

Stella Creasy

Negated on division NC17

To move the following Clause—

“Regulation of buy-now-pay-later firms

The Treasury must by regulations make provision for—

- (a) buy-now-pay-later credit services, and
- (b) other lending services that have non interest-bearing elements to be regulated by the FCA.”
-

Stella Creasy

Not called NC18

To move the following Clause—

“Duty of FCA to investigate and report on possible regulatory failure

- (1) Section 73 of the Financial Services Act 2012 shall be amended as follows.
- (2) In subsection 1(b)(ii), at end insert—
- “(iii) a failure of the FCA to intervene earlier or otherwise act effectively to protect consumers.”.
-

Financial Services Bill, *continued*

Stella Creasy

Not called NC19

To move the following Clause—

“Report on functioning of debt respite scheme and compatibility with personal insolvency regime

- (1) The Treasury must prepare a report on—
 - (a) the functioning of the debt respite scheme under section 32;
 - (b) the extent to which it is achieving its objectives;
 - (c) its compatibility with personal insolvency legislation and policy.
 - (2) That report must be laid before Parliament no later than one year after this Act is passed.”
-

Stella Creasy

Withdrawn after debate NC20

To move the following Clause—

“Power of a select committee to require the FCA to conduct an investigation

- (1) The Financial Services Act 2012 is amended as follows.
- (2) After section 77 (Power of the Treasury to require FCA or PRA to conduct an investigation) insert—

“77A Power of Treasury to require FCA or PRA to undertake investigation

- (1) Where a relevant select committee resolves that—
 - (a) it is in the public interest that the FCA should undertake an investigation into any relevant events, and
 - (b) it does not appear to the relevant select committee that the regulator has undertaken or is undertaking an investigation (under this Part or otherwise) into those events,

the FCA must undertake an investigation into those events and the circumstances surrounding them and lay a report before Parliament on the result of the investigation.

- (2) “Relevant events” means events that have occurred in relation to—
 - (a) a collective investment scheme,
 - (b) a person who is, or was at the time of the events, carrying on a regulated activity (whether or not as an authorised person), or
 - (c) listed securities or an issuer of listed securities.
 - (3) “Relevant events” do not include any events occurring before 1 December 2001 (but no such limitation applies to the reference in subsection (2) to surrounding circumstances).
 - (4) A “relevant select committee” means a select committee of the House of Commons with a remit covering financial services.””
-

Financial Services Bill, *continued*

Stella Creasy

Negated on division NC21

To move the following Clause—

“Assessment of risks of consumer detriment

- (1) Schedule 6 of the Financial Services and Markets Act (2000) is amended as follows.
- (2) After paragraph 2D(2)(c) insert—
 - “(d) the risks of consumer detriment associated with the firm’s business model and the likelihood for compensation claims from consumers.”
- (3) After paragraph 2D(3), insert—
 - “(3ZA) When assessing whether the firm has appropriate financial resources to meet the risks of consumer detriment and the likelihood of compensation claims from consumers, the Financial Conduct Authority must ensure that, at all times, firms hold sufficient financial resources to meet any likely compensation claims from customers in full.””

Stella Creasy

Not called NC22

To move the following Clause—

“Cost of credit: FCA assessment

In Schedule 6 of the Financial Services and Markets Act 2000 after paragraph 2F(3) insert—

- “(4) When considering the business model, the Financial Conduct Authority must have regard to the interests of consumers, in particular—
 - (a) the proportion of a firm’s revenues that are to be derived from re-lending, and
 - (b) whether customers are likely to be charged a total cost of credit in excess of one hundred percent of the amount borrowed both on the basis of the initial credit terms or following relending activities.
- (5) Where the Financial Conduct Authority’s assessment concludes that a business model poses a significant risk that customers will be charged a total cost of credit in excess of one hundred percent of the amount borrowed, then the threshold condition will not be met.””

Financial Services Bill, *continued*

Stella Creasy

Not called NC23

To move the following Clause—

“Consumer redress schemes: FCA reporting requirements

- (1) In section 404A of the Financial Services and Markets Act 2000, at end insert—
- “(10) Where the Financial Conduct Authority initiates a consumer redress scheme by virtue of the powers conferred in section 404 of this Act, and makes any provisions for its operation by virtue of this section, the Financial Conduct Authority must—
- (a) provide an initial written report to the Secretary of State detailing its reasons for any of the provisions it has made for the redress scheme under section 404A;
 - (b) ensure that any instructions provided to an appointed ‘competent person’ under subsection (1)(k) are included in the above report; and
 - (c) provide a further written report to the Secretary of State detailing the outcomes from any consumer redress scheme, including copies of any “competent person” assessments relevant to the redress scheme.””
-

Pat McFadden
Abena Oppong-Asare
Jeff Smith

Withdrawn after debate NC24

To move the following Clause—

“Facilitation of economic crime

- (1) A relevant body commits an offence if it—
- (a) facilitates an economic crime; or
 - (b) fails to take the necessary steps to prevent an economic crime from being committed by a person acting in the capacity of the relevant body.
- (2) In subsection (1), a “relevant body” is any person, including a body of persons corporate or unincorporated, authorised by or registered with the Financial Conduct Authority.
- (3) In subsection (1), an “economic crime” means—
- (a) fraud, as defined in the Fraud Act 2006;
 - (b) false accounting, as defined in the Theft Act 1968; or
 - (c) an offence under the following sections of the Proceeds of Crime Act 2002—
 - (i) section 327 (concealing, etc criminal property);
 - (ii) section 328 (arrangements, etc concerning the acquisition, retention, use or control of criminal property); and
 - (iii) section 329 (acquisition, use and possession of criminal property).
- (4) In subsection (1), “facilitates an economic crime” means—
- (a) is knowingly concerned in or takes steps with a view to any of the offences in subsection (3); or

Financial Services Bill, *continued*

- (b) aids, abets, counsels or procures the commission of an offence in subsection (3).
- (5) In proceedings for an offence under subsection (1), it is a defence for the relevant body to show that—
- (a) it had in place such prevention procedures as it was reasonable in all circumstances for it to have in place;
- (b) it was not reasonable in the circumstances to expect it to have any prevention procedures in place.
- (6) A relevant body guilty of an offence under this section shall be liable—
- (a) on conviction on indictment, to a fine;
- (b) on summary conviction in England and Wales, to a fine;
- (c) on summary conviction in Scotland or Northern Ireland, to a fine not exceeding the statutory maximum.
- (7) If the offence is proved to have been committed with the consent or connivance of—
- (a) a director, manager, secretary or other similar officer of the relevant body, or
- (b) a person who was purporting to act in any such capacity,
- this person (as well as the relevant body) is guilty of the offence and liable to be proceeded against and punished accordingly.”

Alison Thewliss
Stephen Flynn

Not called NC25

To move the following Clause—

“Debt Respite Scheme: review

- (1) The Chancellor of the Exchequer must review the impact on debt in parts of the United Kingdom and regions of England of the changes made by section 32 of this Act and lay a report of that review before the House of Commons within six months of the date on which this Act receives Royal Assent.
- (2) A review under this section must consider the effects of the changes on debt held by—
- (a) households,
- (b) individuals with protected characteristic as defined by the Equality Act 2010,
- (c) small companies as defined by the Companies Act 2006.
- (3) In this section—
- “parts of the United Kingdom” means—
- (a) England,
- (b) Scotland,
- (c) Wales, and
- (d) Northern Ireland; and
- “regions of England” has the same meaning as that used by the Office for National Statistics.”

Financial Services Bill, *continued*

Alison Thewliss
Stephen Flynn

Withdrawn after debate NC26

To move the following Clause—

“Legal protections for retail clients against the mis-selling of financial services

- (1) Regulation 3 (Private Person) of the Financial Services and Markets Act 2000 (Rights of Action) Regulations 2001 is amended as follows.
- (2) In paragraph 1(a), after “individual”, insert “, partnership or body corporate that is or would be classified as a retail client”
- (3) In paragraph 1(b), leave out “who is not an individual”, and insert “not within the definition of paragraph 1(a)”
- (4) For the purposes of this regulation, a “retail client” means a client who is not a professional client within the meaning set out in Annex II of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.”

Alison Thewliss
Stephen Flynn

Not called NC27

To move the following Clause—

“Legal protections for small businesses against the mis-selling of financial services

- (1) Regulation 3 (Private Person) of the Financial Services and Markets Act 2000 (Rights of Action) Regulations 2001 is amended as follows.
- (2) In sub-paragraph (1)(a), leave out “individual” and insert “relevant person”.
- (3) In sub-paragraph (1)(b), leave out “individual” and insert “relevant person”.
- (4) After paragraph 1, insert—
 - “(1A) For the purposes of this regulation, a “relevant person” means—
 - (a) any individual;
 - (b) any body corporate which meets the qualifying conditions for a small company under sections 382 and 383 Companies Act 2006 in the financial year in which the cause of action arises;
 - (c) any partnership which would, if it were a body corporate, meet the qualifying conditions for a small company under section 382 Companies Act 2006 in the financial year in which the cause of action arises.””

Financial Services Bill, *continued*

Alison Thewliss
Stephen Flynn

Not called NC28

To move the following Clause—

“Pre-commencement impact assessment of leaving the EU Customs Union

- (1) No Minister of the Crown or public authority may appoint a day for the commencement of any provision of this Act until a Minister of the Crown has laid before the House of Commons an impact assessment of—
 - (a) disapplying EU rules;
 - (b) applying rules different from those of the EUas a consequence of any provision of this Act.
- (2) A review under this section must consider the effects of the changes on—
 - (a) business investment,
 - (b) employment,
 - (c) productivity,
 - (d) inflation,
 - (e) financial stability, and
 - (f) financial liquidity.
- (3) A review under this section must consider the effects in the current and each of the subsequent ten financial years.
- (4) The review must also estimate the effects on the changes in the event of each of the following—
 - (a) the UK leaves the EU withdrawal transition period without a negotiated comprehensive free trade agreement,
 - (b) the UK leaves the EU withdrawal transition period with a negotiated agreement, and remains in the single market and customs union, or
 - (c) the UK leaves the EU withdrawal transition period with a negotiated comprehensive free trade agreement, and does not remain in the single market and customs union.
- (5) The review must also estimate the effects on the changes if the UK signs a free trade agreement with the United States.
- (6) In this section—

“parts of the United Kingdom” means—

 - (a) England,
 - (b) Scotland,
 - (c) Wales, and
 - (d) Northern Ireland; and

“regions of England” has the same meaning as that used by the Office for National Statistics.”

Financial Services Bill, *continued*

Alison Thewliss
Stephen Flynn

Negated on division NC29

To move the following Clause—

“Review of Impact of Scottish National Investment Bank Powers

- (1) The Chancellor of the Exchequer must review the effect of the use of the powers in this Act in Scotland and lay a report of that review before the House of Commons within six months of the date on which this Act receives Royal Assent.
- (2) A review under this section must consider the effects of the changes on—
 - (a) business investment,
 - (b) employment,
 - (c) productivity,
 - (d) inflation,
 - (e) financial stability, and
 - (f) financial liquidity.
- (3) The review must also estimate the effects on the changes in the event of each of the following—
 - (a) the Scottish Government is given no new financial powers with respect to carrying over reserves between financial years,
 - (b) the Scottish Government is able to carry over greater reserves between financial years for use by the Scottish National Investment Bank.
- (4) The review must under subsection 3(b) consider the effect of raising the reserve limit by—
 - (a) £100 million,
 - (b) £250 million,
 - (c) £500 million, and
 - (d) £1,000 million.”

Alison Thewliss
Stephen Flynn

Not called NC30

To move the following Clause—

“Application of money laundering regulations to overseas trustees: review of effect on tax revenues

- (1) The Chancellor of the Exchequer must review the effects on tax revenues of section 31 and lay a report of that review before the House of Commons within six months of the date on which this Act receives Royal Assent.
- (2) The review under sub-paragraph (1) must consider—
 - (a) the expected change in corporation and income tax paid attributable to the provisions in this Schedule; and
 - (b) an estimate of any change attributable to the provisions of section 31 in the difference between the amount of tax required to be paid to the Commissioners and the amount paid.

Financial Services Bill, *continued*

- (3) The review must under subparagraph (2)(b) consider taxes payable by the owners and employees of Scottish Limited Partnerships.”
-

Alison Thewliss
Stephen Flynn

Negated on division **NC31**

To move the following Clause—

“Parliamentary scrutiny of FCA provisions

Any provision made by the Financial Conduct Authority under this Act may not be made unless a draft of the provision has been laid before and approved by a resolution of the House of Commons.”

Alison Thewliss
Stephen Flynn

Not called **NC32**

To move the following Clause—

“Scrutiny of FCA Powers by committees

- (1) No provision may be made by the Financial Conduct Authority under this Act unless the conditions in subsection (2) are satisfied.
- (2) The conditions in are that—
- (a) a new statutory committee comprising Members of the House of Commons has been established to scrutinise financial regulation, and
 - (b) a new statutory committee comprising Members of the House of Lords has been established to scrutinise financial regulation.
- (3) The Treasury must, by regulations, make provision for and about those committees.
- (4) Those regulations must provide that the committees have at least as much power as the relevant committees of the European Union.”
-

Financial Services Bill, continued

Alison Thewliss
Stephen Flynn

Withdrawn after debate NC33

To move the following Clause—

“Review of impact of Act on UK meeting Paris climate change commitments

The Chancellor of the Exchequer must conduct an assessment of the impact of this Act on the UK meeting its Paris climate change commitments, and lay it before the House of Commons within six months of the day on which this Act receives Royal Assent.”

Alison Thewliss
Stephen Flynn

Not called NC34

To move the following Clause—

“Review of impact of Act on UK meeting UN Sustainable Development Goals

The Chancellor of the Exchequer must conduct an assessment of the impact of this Act on the UK meeting the UN Sustainable Development Goals, and lay it before the House of Commons within six months of the day on which this Act receives Royal Assent.”

Alison Thewliss
Stephen Flynn

Negatived on division NC35

To move the following Clause—

“Money laundering and overseas trustees: review

- (1) The Treasury must, within six months of this Act being passed, prepare, publish and lay before Parliament a report on the effects on money laundering of the provisions in section 31 of this Act.
 - (2) The report must address—
 - (a) the anticipated change to the volume of money laundering attributable to the provisions of section 31; and
 - (b) alleged money laundering involving overseas trusts by the owners and employees of Scottish Limited Partnerships.”
-

Financial Services Bill, *continued*

Alison Thewliss
Stephen Flynn

Not called NC36

To move the following Clause—

“Regulatory divergence from the EU in financial services: annual review

- (1) The Treasury must prepare, publish and lay before Parliament an annual review of the impact of regulatory divergence in financial services from the European Union.
- (2) Each annual review must consider the estimated impact of regulatory divergence in financial services in the current financial year, and for the ten subsequent financial years, on the following matters—
 - (a) business investment,
 - (b) employment,
 - (c) productivity,
 - (d) inflation,
 - (e) financial stability, and
 - (f) financial liquidity,in each English region, and in Scotland, Wales and Northern Ireland.
- (3) Each report must compare the analysis in subsection (2) to an estimate based on the following hypothetical scenarios—
 - (a) that the UK leaves the EU withdrawal transition period without a negotiated comprehensive free trade agreement;
 - (b) that the UK leaves the EU withdrawal transition period with a negotiated agreement, and remains in the single market and customs union;
 - (c) that the UK leaves the EU withdrawal transition period with a negotiated comprehensive free trade agreement, and does not remain in the single market and customs union; and
 - (d) that the UK signs a comprehensive free trade agreement with the United States.
- (4) The first annual report shall be published no later than 1 July 2021.”

Stella Creasy

Negated on division NC37

To move the following Clause—

“Registered societies with withdrawable share capital: removal of restriction on banking

- (1) The Co-operative and Community Benefit Societies Act 2014 shall be amended as follows.
 - (2) In section 4, leave out subsections (1) and (2).
 - (3) Leave out sections 67 and 68.
 - (4) In section 69, leave out subsection (2).”
-

Financial Services Bill, *continued*

Alison Thewliss
Stephen Flynn

Negated on division NC38

To move the following Clause—

“Duty of care specification

- (1) The Financial Services and Markets Act 2000 is amended as follows.
- (2) After Section 1C insert—

“1CA Duty of care specification

- (1) In securing an appropriate degree of protection for consumers, the FCA must ensure authorised persons carrying out regulated activities are acting with a Duty of Care to all consumers.
 - (2) Matters the FCA should consider when drafting Duty of Care rules include, but are not limited to—
 - (a) the duties of authorised persons to act honestly, fairly and professionally in accordance with the best interest of their consumers;
 - (b) the duties of authorised persons to manage conflicts of interest fairly, both between themselves and their clients, and between clients;
 - (c) the extent to which the duties of authorised persons entail an ethical commitment not merely compliance with rules;
 - (d) that the duties must be owned by senior managers who would be accountable for their individual firm’s approach.””
-

Alison Thewliss
Stephen Flynn

Not called NC39

To move the following Clause—

“Duty of care specification on all financial services providers

- (1) The Treasury must by regulations require all financial services providers to act within a duty of care overseen by the FCA.
- (2) The FCA may make rules to ensure all financial services providers act within the duty of care.
- (3) Matters the FCA should consider when making duty of care rules include but are not be limited to—
 - (a) the duties of authorised persons to act honestly, fairly and professionally in accordance with the best interest of their consumers;
 - (b) the duties of authorised persons to manage conflicts of interest fairly, both between themselves and their clients, and between clients;
 - (c) the extent to which the duties of authorised persons entail an ethical commitment not merely compliance with rules; and
 - (d) that the duties must be owned by senior managers who would be accountable for their individual firm’s approach.

Financial Services Bill, *continued*

- (4) If before the end of December in any year the Secretary of State has not introduced a requirement for all financial services providers to act within a duty of care, the Treasury must—
- (a) publish a report, by the end of December of that year, explaining why regulations have not been made and setting a timetable for making the regulations, and
 - (b) lay the report before each House of Parliament.”

Alison Thewliss
Stephen Flynn

Not called NC40

To move the following Clause—

“Duty of care specification on all financial services providers (No. 2)

- (1) At least once a year, the Treasury must review the case for instructing the FCA by regulations to produce rules requiring all financial services providers to act within a duty of care.
- (2) If, following the review, the Treasury decides not to introduce such regulations, the Treasury must publish and lay before Parliament a report setting out the reasons for its decision.”

Alison Thewliss
Stephen Flynn

Not called NC41

To move the following Clause—

“Duty of care on all financial service providers

The Treasury must instruct the FCA to impose a duty of care on all authorised persons providing financial services activity regulated by the FCA by the end of 2021.”

Financial Services Bill, *continued*

Alison Thewliss
Stephen Flynn

Not called NC42

To move the following Clause—

“Report on FCA’s progress on duty of care consultation

- (1) The Treasury must prepare and publish an annual report setting out the FCA’s assessment of the need for a duty of care and lay a copy of the report before Parliament.
- (2) A Minister of the Crown must, not later than two months after the report has been laid before Parliament, make a motion in the House of Commons in relation to the report.”

Bill, as amended, to be reported.
