

Financial Guidance and Claims Bill [HL]

AMENDMENT
TO BE MOVED
ON REPORT

After Clause 17

BARONESS MEACHER

Insert the following new Clause—

“Interim rules restricting charges for claims management services

- (1) The Compensation Act 2006 is amended as follows.
- (2) After section 5 (the regulator) insert—

“5A Power and duty of the regulator to make rules restricting charges for claims management services

- (1) The power of the regulator to make rules includes the power to make rules prohibiting authorised persons from—
 - (a) entering into a specified regulated claims management agreement that provides for the payment by a person of charges which, taken with charges payable under an agreement treated by the rules as being connected with the regulated claims management agreement (if any), are specified charges, and
 - (b) imposing specified charges on a person in connection with the provision of a service which is, or which is provided in connection with, a specified regulated claims management activity.
- (2) Within two months beginning with the day on which the Financial Guidance and Claims Act 2017 is passed, the regulator must make rules by virtue of subsection (1) in relation to all regulated claims management agreements, and all regulated claims management activities, which concern claims in relation to financial products or services.
- (3) The rules must be made with a view to securing an appropriate degree of protection against excessive charges for the provision of a service which is, or which is provided in connection with, a regulated claims management activity.
- (4) The rules may specify charges by reference to charges of a specified class or description, or by reference to charges which exceed, or are capable of exceeding, a specified amount.

After Clause 17 - continued

- (5) In relation to an agreement entered into, or charge imposed, in contravention of the rules, the rules may (amongst other things) –
 - (a) provide for the agreement, or obligation to pay the charge, to be unenforceable or unenforceable to a specified extent;
 - (b) provide for the recovery of amounts paid under the agreement or obligation;
 - (c) provide for the payment of compensation for any losses incurred as a result of paying amounts under the agreement or obligation.
- (6) This section is repealed at the beginning of the day on which section 17 of the Financial Guidance and Claims Act 2017 (power of the FCA to make rules restricting charges for claims management services) is implemented by the FCA.””

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12 October 2017
