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Require the Financial Conduct Authority to make rules for authorised persons to owe a duty of care to consumers in their regulated activities.

BE IT ENACTED by the Queen’s most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1 Duty of the FCA to make rules introducing a duty of care

- (1) The Financial Services and Markets Act 2000 is amended as follows.
- (2) After section 137C, insert the following new section—

“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. 5
- (2) “Duty of care” means an obligation to exercise reasonable care and skill when providing a product or service.
- (3) “Consumer” has the meaning given in section 2(3) of the Consumer Rights Act 2015.” 10
- (3) The FCA must make rules in accordance with section 137CA (FCA general rules: duty of care) of the Financial Services and Markets Act 2000 which come into force no later than six months after the day on which this Act comes into force. 15

2 Extent, commencement and short title

- (1) This Act extends to England and Wales, Scotland and Northern Ireland.
- (2) This Act comes into force on the day on which it is passed.
- (3) This Act may be cited as the Financial Services Duty of Care Act 2019.

Financial Services Duty of Care Bill [HL]

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Lord Sharkey

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