

Financial Services Bill

AMENDMENTS
TO BE MOVED
IN GRAND COMMITTEE

Schedule 2

BARONESS BOWLES OF BERKHAMSTED

Page 65, line 35, at end insert “and inform the relevant committees of the House of Commons and the House of Lords of the matters discussed and conclusions.”

Member’s explanatory statement

This is to inform Parliament regarding discussions between the regulator and HMT concerning equivalence.

Schedule 3

BARONESS BOWLES OF BERKHAMSTED

Page 82, line 23, at end insert “and inform the relevant committees of the House of Commons and the House of Lords of the matters discussed and conclusions.”

Member’s explanatory statement

This is to inform Parliament regarding discussions between the regulator and HMT concerning equivalence.

After Clause 33

LORD HOLMES OF RICHMOND

Insert the following new Clause –

“Know Your Customer regulations review

Within six months of the passing of this Act, the Secretary of State must commission a review of the current Know Your Customer regulations, with the aim of –

- (a) enabling greater inclusion,
- (b) enabling greater efficiency, and
- (c) removing outdated measures.”

Clause 34

LORD HOLMES OF RICHMOND

Page 40, line 37, at end insert –

- “(6) The Secretary of State must publish a timetable for the establishment of the debt respite scheme.
- (7) The debt respite scheme must start to take on clients no later than 31 December 2024.”

After Clause 40LORD HODGSON OF ASTLEY ABBOTTS
LORD KNIGHT OF WEYMOUTH

Insert the following new Clause –

“Duty to take account of impacts on sustainable good work

- (1) When undertaking duties and using powers under the Financial Services and Markets Act 2000, the FCA must take into account –
 - (a) the impacts or potential impacts on sustainable good work in the United Kingdom as a consequence of the provision of financial services with particular regard to the evaluation of –
 - (i) net gains in total employment;
 - (ii) quality of work available;
 - (iii) terms and conditions of work available;
 - (iv) opportunities for training and reskilling;
 - (b) the desirability of providing financial services and investment supporting the creation of sustainable good work across the United Kingdom; and
 - (c) the desirability of advancing the international reputation of the United Kingdom for promoting inclusive and sustainable economic growth and decent work for all pursuant to the United Nations Sustainable Development Goals.
- (2) The FCA must publish guidance to organisations providing financial services about fulfilment of the requirements specified in subsection (1)(a)(i) to (iv).
- (3) In this Act, “good work” means work which provides and promotes –
 - (a) fair pay;
 - (b) fair conditions;
 - (c) equality and freedom from discrimination;
 - (d) dignity;
 - (e) autonomy of workers;
 - (f) physical and mental wellbeing;
 - (g) access to institutions and people who can represent workers’ interests;
 - (h) participation of workers in determining and improving working conditions;
 - (i) access to facilities for career guidance and training.”

After Clause 40 - continued

Insert the following new Clause—

“Related disclosure of risk to sustainable good work

- (1) An organisation providing financial services must within 12 months of the FCA guidance required under section (*Duty to take into account impacts on sustainable good work*)(2)—
- (a) publish a statement about its policies on—
 - (i) evaluating impacts or potential impacts on sustainable good work in the United Kingdom,
 - (ii) the integration of the evaluation undertaken under subparagraph (i) into investment decisions or advice provided, and
 - (iii) due diligence undertaken with respect to any impacts or potential impacts on sustainable good work in the United Kingdom which have been identified taking account of its size, the nature and scale of its activities and the types of financial services or products it makes available;
 - (b) disclose a statement of adherence in relation to any guidance provided by the FCA under section (*Duty to take into account impacts on sustainable good work*)(2).”

Insert the following new Clause—

“Member of FCA governing body with responsibility for investment to promote sustainable good work

In Schedule 1ZA to the Financial Services and Markets Act 2000 (the Financial Conduct Authority), after paragraph 2(2)(d) insert—

“(da) a further member jointly appointed by the Secretary of State and the Treasury with responsibility to promote sustainable good work across the United Kingdom.””

Member’s explanatory statement

This amendment is to ensure that financial regulators understand and give due weight to the importance of creating sustainable good work across the United Kingdom.

LORD HOLMES OF RICHMOND

Insert the following new Clause—

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

- (1) 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.””

After Clause 40 - continued

Insert the following new Clause—

“Designated artificial intelligence officer

- (1) The Secretary of State must by regulations made by statutory instrument provide that companies operating in the financial services sector who use artificial intelligence (“AI”) must have a designated AI officer.
- (2) The AI officer under subsection (1) has responsibility for ensuring the—
 - (a) safe,
 - (b) fair,
 - (c) unbiased, and
 - (d) non-discriminatory,use of AI.
- (3) The AI officer under subsection (1) also has responsibility to ensure that data used in any AI technology is unbiased.”

Insert the following new Clause—

“Review of financial services regulations

- (1) Within six months of the passing of this Act, the Secretary of State must undertake a review of—
 - (a) all financial services regulations, and
 - (b) the rules of all financial services regulators, including the PRA and the FCA.
- (2) The review under subsection (1) must have the aim of ensuring such regulations and rules—
 - (a) are proportionate,
 - (b) encourage economic growth, and
 - (c) do not inhibit innovation or competition.”

Insert the following new Clause—

“Review of regulations relating to financial payments

Within six months of the passing of this Act, the Secretary of State must undertake a review of regulations relating to payments, with the aim of ensuring payments are optimised in terms of—

- (a) strong customer authentication, and
- (b) capital and liquidity requirements.”

Insert the following new Clause—

“Digital identification

- (1) Within six months of the passing of this Act, the Secretary of State must publish the Government’s plans for the development and deployment of a distributed digital identification (“Digital ID”) for individuals and corporate entities in the financial sector.

After Clause 40 - continued

- (2) The Digital IDs should be –
 - (a) scalable,
 - (b) flexible, and
 - (c) inclusive.
- (3) The Secretary of State must also undertake a public engagement campaign around Digital IDs to raise awareness and participation in the process.
- (4) In this section –
 - “Digital ID” means a set of attributes related to an entity, as according to the International Organization for Standardization and International Electrotechnical Commission framework 24760-1;
 - “scalable” means capable of national deployment;
 - “flexible” means capable of resilience and workable as technologies develop and evolve;
 - “inclusive” means capable of including all entities and individuals, not least, in respect of their protected characteristics as set out in the Equality Act 2010.”

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11 February 2021
