

# Financial Services Bill

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AMENDMENTS  
TO BE MOVED  
IN GRAND COMMITTEE

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**Clause 34**

BARONESS BENNETT OF MANOR CASTLE

Page 40, line 30, at end insert –

- “(4B) The regulations must also include the following as part of the scheme –
- (a) provision to ensure that any debts appearing on a repayment plan, which have either –
    - (i) been sold by originating lenders to debt purchasing companies prior to the debtor entering the scheme, or
    - (ii) been sold by originating lenders to debt purchasing companies whilst the debtor is in the scheme,are subject to what is to be known as a “fair debt write-down”;
  - (b) that the level of the fair debt write-down must be calculated by the amount paid by the debt purchasing company for the debt plus no more than twenty per cent of the value of the debt;
  - (c) that no more than the amount calculated under paragraph (b) may be collected in respect of any debts to which a fair debt write-down applies throughout the course of the debt repayment plan; and
  - (d) that at the end of an individual’s debt repayment plan, any outstanding amount in respect of debts to which a fair debt write-down has applied is unenforceable against the debtor and must be treated as if fully discharged by virtue of section 251I of the Insolvency Act 1986 (discharge from qualifying debts).”

***Member’s explanatory statement***

*This amendment seeks to ensure that debts which have been sold by originating lenders on the secondary debt market are written down to a fair level.*

**After Clause 40**

LORD HOLMES OF RICHMOND

Insert the following new Clause –

**“Ethical use of artificial intelligence by companies in the financial sector**

- (1) The Secretary of State must by regulations provide that companies operating in the financial services sector who make use of artificial intelligence must ensure its use is in line with guidance published by the Centre for Data Ethics and Innovation.
- (2) Regulations under subsection (1) are subject to the affirmative procedure.”

Insert the following new Clause –

**“Digital operational resilience**

- (1) Within 6 months of the passing of this Act, the Secretary of State must conduct a review of the digital operational resilience of financial services providers, and assess any consequential risks for the UK financial system.
- (2) Following the review the Secretary of State may by regulations impose requirements on financial service providers to ensure a standard of digital operational resilience.
- (3) Regulations under subsection (2) are subject to the affirmative procedure.”

LORD SIKKA

Insert the following new Clause –

**“Supervisory board**

- (1) There is to be a Supervisory Board to perform the function of monitoring the FCA and PRA.
- (2) The Supervisory Board must consist entirely of stakeholders.
- (3) Recruitment for the membership of the Supervisory Board is to be conducted through open competition and the appointments are to be confirmed by the House of Commons Treasury Committee, or another relevant House of Commons Select Committee.
- (4) The Chancellor of the Exchequer may nominate individuals to the Supervisory Board.
- (5) The following are ineligible for appointment to the Supervisory Board –
  - (a) current and past employees of the FCA and the PRA, and
  - (b) current employees of organisations supervised by the FCA and the PRA.
- (6) A member’s membership of the Supervisory Board cannot exceed a period of five years beginning with the day the member’s appointment is confirmed under subsection (3).
- (7) The Supervisory Board has no responsibility for –
  - (a) the day-to-day operations of the FCA or the PRA, and
  - (b) investigations and enforcement of the rules devised by the FCA and the PRA.

**After Clause 40 - continued**

- (8) The Supervisory Board's functions are to—
- (a) provide strategic oversight of the Executive Boards of the FCA and PRA responsible for day-to-day operations;
  - (b) inquire into the adequacy of resources used and available to the FCA and the PRA;
  - (c) seek explanations from the Executive Board for reasons for the delay in launching and completing investigations; and
  - (d) seek explanations from the Executive Board in relation to the efficiency and effectiveness of the FCA and the PRA in discharging their statutory duties.
- (9) The Supervisory Board shall have powers to—
- (a) demand explanations from the Executive Board on any matter affecting the protection of consumers from harmful practices;
  - (b) secure information from the Executive Board about their transparency and accountability to the public; and
  - (c) liaise with whistle-blowers and examine FCA and PRA policies for protecting and rewarding whistle-blowers.
- (10) The Supervisory Board must hold open meetings with the Executive Boards of the FCA and the PRA at least once every three months.
- (11) The working and background papers of the Supervisory Board must be made publicly available.
- (12) The Supervisory Board must lay before each House of Parliament an annual report highlighting matters of concern relating to the operation of the FCA and PRA which it has discovered in exercising its powers and functions.
- (13) The Supervisory Board must be consulted on appointment and reappointment of the Chief Executives of the FCA and the PRA.”

***Member's explanatory statement***

*This new Clause would create a Supervisory Board to monitor the Executive Boards of the FCA and PRA and provide a diversity of views on the conduct of the FCA and the PRA.*

BARONESS BOWLES OF BERKHAMSTED

Insert the following new Clause—

**“Country-by-country reporting requirements**

- (1) The PRA must include country-by-country reporting requirements in reporting requirements for banks.
- (2) The FCA must include country-by-country reporting requirements in reporting requirements for investment firms.”

**Clause 42**

LORD BRUCE OF BENNACHIE

Page 47, line 10, at end insert—

- “(5) Before making regulations under this Act which affect financial services firms and transactions in Scotland, Wales or Northern Ireland, the Secretary of State must consult the relevant devolved administration.”

***Member’s explanatory statement***

*This amendment would require the Secretary of State to consult with the relevant devolved administration before making regulations which affect financial services firms and transactions in Scotland, Wales or Northern Ireland.*

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*16 February 2021*

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