

Financial Services (Unfair Terms in Consumer Contracts) Bill

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Ensure that ancillary pricing terms in personal financial services contracts can be assessed for fairness; and for connected purposes.

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 Amendment of the Unfair Terms in Consumer Contracts Regulations 1999 (S.I. 1999/2083)

(1) After regulation 6(1), insert—

“(1A) Paragraph (2) shall not apply to a contract for the supply of personal financial services, including all such contracts currently in force.”. 5

(2) After regulation 6(2), insert—

“(3) In so far as it is in plain intelligible language, the assessment of fairness of a term in a contract for the supply of personal financial services shall not relate—

- (a) to the definition of the main subject matter of the contract, or 10
- (b) to the adequacy of the main price or remuneration, as against the goods or services supplied in exchange.

(4) When assessing whether a charge is or is not a main price or remuneration within the meaning of paragraph (3)(b), account shall be taken of all the relevant circumstances at the time the contract was concluded, including whether the imposition of the charge is contingent on other uncertain events and whether the charge is likely to have been considered by the consumer prior to concluding the contract. 15

(5) Where a term of a contract for the supply of personal financial services provides for the charging of a consumer and the circumstances in which that charge can be imposed are not certain to arise during the term of the contract, then such price or remuneration shall not fall within the main price or remuneration for the purposes of this regulation. 20
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- (6) In any proceedings in which reliance is placed on this regulation, a charge shall be assumed not to be the main price or remuneration, as against the goods or services supplied in exchange, unless the contrary is proved.”.

2 Short title and commencement

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- (1) This Act may be cited as the Financial Services (Unfair Terms in Consumer Contracts) Act 2011.
- (2) This Act comes into force at the end of the period of two months beginning with the day on which it is passed.

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To ensure that ancillary pricing terms in personal financial services contracts can be assessed for fairness; and for connected purposes.

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