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# SCHEDULES<sup>F1</sup>

## [<sup>F1</sup>SCHEDULE 1A

### FURTHER PROVISION ABOUT THE CONSUMER FINANCIAL EDUCATION BODY

#### PART 1

#### GENERAL

##### *Ensuring exercise of consumer financial education function etc*

- 1 (1) The Authority must take such steps as are necessary to ensure that the consumer financial education body is, at all times, capable of exercising the consumer financial education function.
- (2) In complying with the duty under sub-paragraph (1) the Authority may, in particular, provide services to that body which the Authority considers would facilitate the exercise of that function.

##### *Constitution*

- 2 (1) The constitution of the consumer financial education body must provide for it to have—
- (a) a chair;
  - (b) a chief executive; and
  - (c) a board (which must include the chair and chief executive) whose members are the body's directors.
- (2) The members of the board must be persons appointed, and liable to removal from office, by the Authority (acting, in the case of the chair or chief executive, with the approval of the Treasury).
- (3) But the terms of appointment of members of the board (and in particular those governing removal from office) must be such as to secure their independence from the Authority in the exercise of the consumer financial education function.
- (4) The Authority may appoint a person to be a member of the board only if it is satisfied that the person has knowledge or experience which is likely to be relevant to the exercise by the body of the consumer financial education function.

##### *Status*

- 3 (1) The consumer financial education body is not to be regarded as exercising functions on behalf of the Crown.
- (2) The body's board members, officers and staff are not to be regarded as Crown servants.

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### *Discharge of function by others*

- 4 (1) The consumer financial education body may discharge the consumer financial education function by—
- (a) supporting the doing by other persons of anything that it considers would enhance the understanding, knowledge or ability mentioned in section 6A(1); or
  - (b) arranging for other persons to do anything that it considers would enhance that understanding, knowledge or ability.
- (2) The reference in sub-paragraph (1)(a) to support includes financial support.
- (3) The reference in sub-paragraph (1)(b) to arrangements includes arrangements under which payments are made to the other persons.
- (4) Nothing in this paragraph is to limit other ways in which the consumer financial education body may discharge the consumer financial education function.
- 5 (1) This paragraph applies if the consumer financial education body arranges for any person (including one established by or under an enactment) to do anything that it considers would enhance the understanding, knowledge or ability mentioned in section 6A(1).
- (2) The person may do that thing despite any limitation on its capacity (whether under a rule of law or otherwise) which, but for this paragraph, would have applied.

### *Market confidence and financial stability*

- 6 In discharging the consumer financial education function, the consumer financial education body must have regard to the importance of—
- (a) maintaining confidence in the UK financial system; and
  - (b) maintaining the stability of the UK financial system.

### *Budget*

- 7 (1) The consumer financial education body must adopt an annual budget which has been approved by the Authority.
- (2) The budget must be adopted—
- (a) in the case of the body's first financial year, as soon as reasonably practicable after the body is established; and
  - (b) in the case of each subsequent financial year, before the start of the financial year.
- (3) The consumer financial education body may, with the approval of the Authority, vary the budget for a financial year at any time after its adoption.
- (4) Before adopting or varying a budget, the consumer financial education body must consult—
- (a) the Treasury;
  - (b) the Secretary of State;
  - (c) the Office of Fair Trading; and
  - (d) such other persons (if any) as the body considers appropriate.

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- (5) The consumer financial education body must publish each budget, and each variation of a budget, in the way it considers appropriate.

#### *Annual plan*

- 8 (1) The consumer financial education body must in respect of each of its financial years prepare an annual plan which has been approved by the Authority.
- (2) The plan must be prepared—
- (a) in the case of the body's first financial year, as soon as reasonably practicable after the body is established; and
  - (b) in the case of each subsequent financial year, before the start of the financial year.
- (3) The consumer financial education body may, with the approval of the Authority, vary the plan in respect of a financial year at any time after its preparation.
- (4) An annual plan in respect of a financial year must set out—
- (a) the objectives of the consumer financial education body for the year;
  - (b) how the extent to which each of those objectives is met is to be determined;
  - (c) the relative priorities of each of those objectives; and
  - (d) how its resources are to be allocated among the activities to be carried on in connection with the discharge of the consumer financial education function.
- (5) In sub-paragraph (4) references to objectives for a financial year include objectives for a longer period that includes that year.
- (6) Before preparing or varying an annual plan, the consumer financial education body must consult—
- (a) the Treasury;
  - (b) the Secretary of State;
  - (c) the Office of Fair Trading;
  - (d) the Practitioner Panel;
  - (e) the Consumer Panel; and
  - (f) such other persons (if any) as the body considers appropriate.
- (7) The consumer financial education body must publish each annual plan, and each variation of an annual plan, in the way it considers appropriate.

#### *Annual reports*

- 9 (1) At least once a year, the consumer financial education body must make a report to the Authority in relation to the discharge of the consumer financial education function.
- (2) The report must—
- (a) set out the extent to which the body has met its objectives and priorities for the period covered by the report;
  - (b) include a copy of its latest accounts; and
  - (c) comply with any requirements specified in rules made by the Authority.
- (3) The consumer financial education body must publish each report in the way it considers appropriate.

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- (4) Nothing in this paragraph requires the consumer financial education body to make a report at any time in the period of 12 months beginning with its establishment.

*Exemption from consumer credit rules*

- 10 (1) A licence is not required under Part 3 of the Consumer Credit Act 1974 in respect of anything done by—
- (a) the consumer financial education body in discharging the consumer financial education function; or
  - (b) a person acting on its behalf in accordance with arrangements made under paragraph 4(1)(b).
- (2) Nothing in Part 4 or 10 of that Act (seeking business or ancillary credit business) is to apply in relation to anything done by—
- (a) the consumer financial education body in discharging the consumer financial education function; or
  - (b) a person acting on its behalf in accordance with arrangements made under paragraph 4(1)(b).]

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