

*Changes to legislation: Compensation Act 2006, Cross Heading: Conduct of authorised persons is up to date with all changes known to be in force on or before 26 April 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

## SCHEDULE

### CLAIMS MANAGEMENT REGULATIONS

#### *Conduct of authorised persons*

- 8 (1) Regulations shall require the Regulator to prescribe rules for the professional conduct of authorised persons.
- (2) Regulations under sub-paragraph (1) shall include provision—
- (a) about the manner in which rules are to be prepared and published (which may, in particular, include provision requiring—
    - (i) consultation;
    - (ii) the submission of a draft to the Secretary of State for approval);
  - (b) about the consequences of failure to comply with the rules (which may, in particular, include—
    - (i) provision for rules to be treated as conditions of authorisations;
    - [<sup>F1</sup>(ia) provision enabling the Regulator to require an authorised person to pay a penalty;]
    - (ii) provision enabling the Regulator to impose conditions on, suspend or cancel authorisations).

#### **Textual Amendments**

**F1** Sch. para. 8(2)(b)(ia) inserted (21.3.2014) by [Financial Services \(Banking Reform\) Act 2013 \(c. 33\)](#), [ss. 139\(2\)](#), [148\(3\)](#); [S.I. 2014/772](#), [art. 2](#)

- 9 (1) Regulations shall enable the Regulator to issue one or more codes of practice about the professional conduct of authorised persons.
- (2) Regulations under sub-paragraph (1) shall include provision—
- (a) about the manner in which a code is to be prepared and published (which may, in particular, include provision requiring—
    - (i) consultation;
    - (ii) the submission of a draft to the Secretary of State for approval);
  - (b) about the consequences of failure to comply with a code (which may, in particular—
    - (i) provide for compliance with a code to be treated as a condition of authorisations;
    - [<sup>F2</sup>(ia) enable the Regulator to require an authorised person to pay a penalty;]
    - (ii) enable the Regulator to impose conditions on, suspend or cancel authorisations).

#### **Textual Amendments**

**F2** Sch. para. 9(2)(b)(ia) inserted (21.3.2014) by [Financial Services \(Banking Reform\) Act 2013 \(c. 33\)](#), [ss. 139\(3\)](#), [148\(3\)](#); [S.I. 2014/772](#), [art. 2](#)

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- 10 (1) Regulations shall provide for the Regulator to investigate complaints about the professional conduct of an authorised person.
- (2) Regulations under sub-paragraph (1) shall enable the Regulator to—
- (a) impose conditions on a person's authorisation;
  - (b) suspend a person's authorisation;
  - (c) cancel a person's authorisation.
- [<sup>F3</sup>(3) Regulations under sub-paragraph (1) may enable the Regulator to require an authorised person to pay a penalty.]

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**Textual Amendments**

**F3** Sch. para. 10(3) inserted (21.3.2014) by [Financial Services \(Banking Reform\) Act 2013 \(c. 33\)](#), **ss. 139(4), 148(3)**; S.I. 2014/772, art. 2

- 11 (1) Regulations may require, or permit the Regulator to require, an authorised person to take out a policy of professional indemnity insurance in respect of his actions in the course of providing or purporting to provide regulated claims management services.
- (2) Regulations under sub-paragraph (1) may, in particular—
- (a) make provision about the level or nature of insurance cover to be provided by the policy;
  - (b) include provision about failure to comply (which may, in particular, provide for compliance to be treated as a condition of authorisations or enable the Regulator [<sup>F4</sup>to require the payment of a penalty by an authorised person or] to impose conditions on, suspend or cancel authorisations).

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**Textual Amendments**

**F4** Words in Sch. para. 11(2)(b) inserted (21.3.2014) by [Financial Services \(Banking Reform\) Act 2013 \(c. 33\)](#), **ss. 139(5), 148(3)**; S.I. 2014/772, art. 2

- 12 (1) Regulations may require the Regulator to establish a scheme to compensate a client of an authorised person where—
- (a) money is paid to the authorised person in complete or partial satisfaction of the client's claim, and
  - (b) the client is unable to obtain all or part of the money because the authorised person becomes insolvent or is otherwise unable or unwilling to pay.
- (2) In particular, regulations may make provision—
- (a) about the purchase of bonds or other forms of insurance or indemnity;
  - (b) about the funding of the scheme (which may include the application of part of fees charged in accordance with paragraph 7 and may not include payments, or other financial assistance, by a Minister of the Crown);
  - (c) about procedure in connection with compensation (including criteria to be applied);
  - (d) about the amount of compensation.

**Changes to legislation:**

Compensation Act 2006, Cross Heading: Conduct of authorised persons is up to date with all changes known to be in force on or before 26 April 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.

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**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 4(2A) inserted by [2007 c. 29 Sch. 19 para. 2\(2\)](#)
- s. 5(1A) inserted by [2007 c. 29 Sch. 19 para. 3\(2\)](#)
- s. 5(11) inserted by [2007 c. 29 Sch. 19 para. 3\(9\)](#)
- s. 6(3A) inserted by [2007 c. 29 Sch. 19 para. 4](#)
- s. 8(9) inserted by [2007 c. 29 Sch. 19 para. 6\(3\)](#)
- s. 9(2A) inserted by [2007 c. 29 Sch. 19 para. 7](#)