

## SCHEDULES

### SCHEDULE 19

Section 187

#### CLAIMS MANAGEMENT SERVICES

1       The Compensation Act 2006 (c. 29) is amended in accordance with this Schedule.

2       (1) Section 4 (provision of regulated claims management services) is amended as follows.

(2) After subsection (2) insert—

“**(2A)** The Secretary of State may not make an order under subsection (2)(e) unless—

- (a) it is made in accordance with a recommendation made by the Legal Services Board, or
- (b) the Secretary of State has consulted the Legal Services Board about the making of the order.”

3       (1) Section 5 (the Regulator) is amended as follows.

(2) After subsection (1) insert—

“**(1A)** The Secretary of State may designate a person only on the recommendation of the Legal Services Board.”

(3) In subsection (2) for “The Secretary of State may designate a person” substitute “The Legal Services Board may recommend a person for designation”.

(4) Omit subsection (3).

(5) In subsection (4)—

- (a) in paragraphs (a), (b), (d) and (e) for “Secretary of State” substitute “Legal Services Board”, and
- (b) omit paragraph (c).

(6) In subsection (8) after “may” insert “, on the recommendation of the Legal Services Board,”.

(7) In subsection (9) for “Secretary of State” substitute “Legal Services Board”.

(8) In subsection (10)—

- (a) after “may” insert “, on the recommendation of the Legal Services Board,”, and
- (b) for “Secretary of State” (in the second place) substitute “Legal Services Board”.

(9) After that subsection insert—

“**(11)** In discharging any function by virtue of subsection (9) or (10), the Legal Services Board must take such steps as are necessary to ensure an appropriate

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financial and organisational separation between the activities of the Board that relate to the carrying out of those functions and the other activities of the Board.”

4 In section 6 (exemptions) after subsection (3) insert—

“(3A) The Secretary of State may not make an order under subsection (1) or (2) unless—

- (a) it is made in accordance with a recommendation made by the Legal Services Board, or
- (b) the Secretary of State has consulted the Legal Services Board about the making of the order.”

5 (1) Section 7 (enforcement: offence) is amended as follows.

(2) In subsection (2)(b)—

- (a) in sub-paragraph (i) for “51 weeks” substitute “12 months”, and
- (b) in sub-paragraph (ii) for “level 5 on the standard scale” substitute “the statutory maximum”.

(3) For subsection (3) substitute—

“(3) In relation to an offence committed before the commencement of section 154(1) of the Criminal Justice Act 2003 the reference in subsection (2)(b)(i) to 12 months is to be read as a reference to 6 months.”

6 (1) Section 8 (enforcement: the Regulator) is amended as follows.

(2) In subsection (5)—

- (a) after “the Regulator” (in the second place) insert “—
- (a)
- (b) after “Part” insert “, and
- (b) to take possession of any written or electronic records found on the search for the purposes of subsection (6).”

(3) After subsection (8) insert—

“(9) The Secretary of State may not make regulations under subsection (8) unless—

- (a) they are made in accordance with a recommendation made by the Legal Services Board, or
- (b) the Secretary of State has consulted the Legal Services Board about the making of the regulations.”

7 In section 9 (regulations), after subsection (2) insert—

“(2A) The Secretary of State may not make regulations under this section unless—

- (a) they are made in accordance with a recommendation made by the Legal Services Board, or
- (b) the Secretary of State has consulted the Legal Services Board about the making of the regulations.”

8 (1) Section 11 (pretending to be authorised etc) is amended as follows.

(2) In subsection (4)(b)—

- (a) in sub-paragraph (i) for “51 weeks” substitute “12 months”, and

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- (b) in sub-paragraph (ii) for “level 5 on the standard scale” substitute “the statutory maximum”.
- (3) For subsection (6) substitute—
  - “(6) In relation to an offence committed before the commencement of section 154(1) of the Criminal Justice Act 2003 the reference in subsection (4)(b)(i) to 12 months is to be read as a reference to 6 months.”
- 9 In section 13 (appeals and references to Claims Management Services Tribunal), in subsection (4) for “against” substitute “on a point of law arising from”.
- 10 In section 14 (interpretation), in the definition of “the Regulator” for “Secretary of State” substitute “Legal Services Board”.
- 11 (1) The Schedule (claims management regulations) is amended as follows.
  - (2) In paragraph 5(3)(a) for “, guidance or a code given or issued” substitute “or guidance given”.
  - (3) In paragraph 7—
    - (a) in paragraph (e) for “Secretary of State” substitute “Legal Services Board”,
    - (b) in paragraph (g)—
      - (i) for “Secretary of State” substitute “Legal Services Board”, and
      - (ii) after “Fund” insert “after consultation with the Secretary of State”.
  - (4) In paragraph 8(2)(a)(ii) for “Secretary of State” substitute “Legal Services Board”.
  - (5) In paragraph 9(2)(a)(ii) for “Secretary of State” substitute “Legal Services Board”.
  - (6) In paragraph 14, in sub-paragraph (2) for “to enter” to the end substitute—
    - “(a) to enter and search premises on which a person conducts or is alleged to conduct regulated claims management business, for the purposes of—
      - (i) investigating a complaint about the activities of an authorised person, or
      - (ii) assessing compliance with terms and conditions of an authorisation, and
    - (b) to take possession of written or electronic records found on the search for the purposes of taking copies in accordance with regulations under sub-paragraph (3).”