

STATUTORY INSTRUMENTS

2002 No. 2706

FINANCIAL SERVICES AND MARKETS

The Financial Services and Markets Act 2000 (Fourth Motor Insurance Directive) Regulations 2002

<i>Made</i>	- - - -	<i>28th October 2002</i>
<i>Laid before Parliament</i>		<i>29th October 2002</i>
<i>Coming into force</i>	- -	<i>20th November 2002</i>

The Treasury, being a government department designated^{M1} for the purposes of section 2(2) of the European Communities Act 1972^{M2} in relation to: (i) compulsory insurance in respect of, and other means of providing for, civil liability in relation to motor vehicles and trailers; (ii) authorisation of the carrying on of insurance business and the regulation of such business and its conduct; and (iii) anything supplemental or incidental to those matters; in exercise of the powers conferred on them by (a) that section and (b) sections 150(3) and 417(1)^{M3} of the Financial Services and Markets Act 2000^{M4}, hereby make the following Regulations:

Modifications etc. (not altering text)

C1 Regulations: power to modify conferred (11.7.2023) by [Financial Services and Markets Act 2023](#) (c. 29), ss. 3, 86(3), [Sch. 1 Pt. 2](#); S.I. 2023/779, reg. 2(d)

Marginal Citations

M1 [S.I. 1997/2781](#).
M2 [1972 c. 68](#).
M3 See the definition of “prescribed”.
M4 [2000 c. 8](#).

Citation and commencement

1. These Regulations may be cited as the Financial Services and Markets Act 2000 (Fourth Motor Insurance Directive) Regulations 2002 and come into force on 20th November 2002.

Changes to legislation: The Financial Services and Markets Act 2000 (Fourth Motor Insurance Directive) Regulations 2002 is up to date with all changes known to be in force on or before 09 January 2024. 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

[^{F1}Power of the Financial Conduct Authority to make rules under section 137A of the Financial Services and Markets Act 2000]

2.—(1) Rules made by [^{F2}the Financial Conduct Authority under section 137A of the Financial Services and Markets Act 2000 (“the 2000 Act”) (The FCA’s general rules)] may require a relevant authorised person to pay interest in specified circumstances in respect of claims made for compensation.

(2) In paragraph (1)—

(a) “relevant authorised person” means an authorised person with a Part IV permission (within the meaning of the 2000 Act)—

(i) to effect or carry out relevant contracts of insurance; or

(ii) to manage the underwriting capacity of a Lloyd’s syndicate as a managing agent, the members of which effect or carry out relevant contracts of insurance underwritten at Lloyd’s;

where a “relevant contract of insurance” means a contract of insurance against damage arising out of or in connection with the use of motor vehicles on land (other than carrier’s liability);

(b) “specified” means specified in the rules.

(3) Rules made pursuant to paragraph (1) may not come into force before 19th January 2003.

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| F1 | Reg. 2 heading substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472) , reg. 1(1), Sch. 2 para. 78(a) |
| F2 | Words in reg. 2(1) substituted (1.4.2013) by The Financial Services Act 2012 (Consequential Amendments and Transitional Provisions) Order 2013 (S.I. 2013/472) , reg. 1(1), Sch. 2 para. 78(b) |

Rights of action

3. In regulation 6 of the Financial Services and Markets Act 2000 (Rights of Action) Regulations 2001 ^{M5} (cases in which contravention of a rule is actionable at the suit of a person who is not a private person)—

(a) after paragraph (3)(c) insert—

“(d) the rule that has been contravened requires a relevant authorised person to respond to a claim for compensation within a specified time limit, or to pay interest in specified circumstances in respect of any such claim.”;

and

(b) for paragraph (4) substitute—

“(4) In this regulation—

(a) “relevant authorised person” means an authorised person with a Part IV permission—

(i) to effect or to carry out relevant contracts of insurance; or

(ii) to manage the underwriting capacity of a Lloyd’s syndicate as a managing agent, the members of which effect or carry out relevant contracts of insurance underwritten at Lloyd’s;

where a “relevant contract of insurance” means a contract of insurance against damage arising out of or in connection with the use of motor vehicles on land (other than carrier’s liability);

(b) “rule” has the meaning given by section 150(4) of the Act; and

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(c) “specified” means specified in rules.”

Marginal Citations

M5 [S.I. 2001/2256](#).

Philip Woolas
Nick Ainger
Two of the Lords Commissioners of Her
Majesty’s Treasury

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EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations ensure that effect is given to one part of Directive [2000/26/EC](#) of the European Parliament and of the Council of 16 May 2000 on the approximation of laws of the Member States relating to insurance against civil liability in respect of the use of motor vehicles and amending Council Directives [73/239/EEC](#) and [88/357/EEC](#) (Fourth Motor Insurance Directive) (O. J. L 181 20/07/2000 p.65).

Regulation 2 makes clear that rules made by the Financial Services Authority under section 138 of the Financial Services and Markets Act 2000 may require authorised insurers effecting or carrying out contracts of insurance covering certain types of motor vehicle liability (or Lloyd’s managing agents who manage syndicates who do such business) to make interest payments in certain specified circumstances.

Regulation 3 amends the Financial Services and Markets Act 2000 (Rights of Action) Regulations 2001 so as to prescribe new cases in which the contravention of a rule will be actionable at the suit of a person who is not a “private person” as defined in regulation 3 of those Regulations. These new cases are contravention of a rule relating to the timely reply to certain claims for compensation and contravention of a rule requiring the payment, in specified circumstances, of interest in respect of such claims.

As these Regulations give effect, in part, to the Fourth Motor Insurance Directive a Transposition Note has been prepared setting out how the Government will transpose into UK law the main elements of this Directive. A hard copy of the Transposition Note is available from the following address: Banking and General Insurance Team, HM Treasury, 1 Horse Guards Road, London SW1A 2HQ (Telephone number: 020 7270 1389). Copies of the Note can also be obtained from HM Treasury’s website (www.hm-treasury.gov.uk).

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Changes and effects yet to be applied to :

- Regulations revoked by [2023 c. 29 Sch. 1 Pt. 2](#)