



Financial Services (Banking Reform) Act 2013

2013 CHAPTER 33

PART 7

MISCELLANEOUS

Consumers

131 Duty of FCA to make rules restricting charges for high-cost short-term credit

- (1) In section 137C of FSMA 2000 (FCA general rules: cost of credit and duration of credit agreements), after subsection (1) insert—

“(1A) The FCA must make rules by virtue of subsection (1)(a)(ii) and (b) in relation to one or more specified descriptions of regulated credit agreement appearing to the FCA to involve the provision of high-cost short-term credit, with a view to securing an appropriate degree of protection for borrowers against excessive charges.

(1B) Before the FCA publishes a draft of any rules to be made by virtue of subsection (1)(a)(ii) or (b), it must consult the Treasury.”

- (2) In Schedule 1ZA to FSMA 2000, in paragraph 11 (FCA’s annual report), in subparagraph (1), after paragraph (h) insert—

“(ha) any rules that it has made as a result of section 137C during the period to which the report relates and the kinds of regulated credit agreement (within the meaning of that section) to which the rules apply,”.

- (3) The FCA must ensure any rules that it is required to make as a result of the amendment made by subsection (1) are made not later than 2 January 2015 and apply (at least) to agreements entered into on or after that date.

132 Role of FCA Consumer Panel in relation to PRA

In section 1Q of FSMA 2000 (the Consumer Panel), after subsection (5) insert—

“(5A) If it appears to the Consumer Panel that any matter being considered by it is relevant to the extent to which the general policies and practices of the PRA are consistent with the PRA’s general duties under sections 2B to 2H, it may communicate to the PRA any views relating to that matter.

(5B) The PRA may arrange to meet any of the FCA’s expenditure on the Consumer Panel which is attributable to the Panel’s functions under subsection (5A).”