



Financial Guidance and Claims Act 2018

2018 CHAPTER 10

PART 1

FINANCIAL GUIDANCE ETC

Objectives and functions of the single financial guidance body

2 Objectives

- (1) The objectives of the single financial guidance body are—
 - (a) to improve the ability of members of the public to make informed financial decisions,
 - (b) to support the provision of information, guidance and advice in areas where it is lacking,
 - (c) to secure that information, guidance and advice is provided to members of the public in the clearest and most cost-effective way (including having regard to information provided by other organisations),
 - (d) to ensure that information, guidance and advice is available to those most in need of it (and to allocate its resources accordingly), bearing in mind in particular the needs of people in vulnerable circumstances, and
 - (e) to work closely with the devolved authorities as regards the provision of information, guidance and advice to members of the public in Scotland, Wales and Northern Ireland.
- (2) The single financial guidance body must have regard to its objectives when it exercises its functions.
- (3) In this section “information, guidance and advice” means—
 - (a) information and guidance on matters relating to occupational and personal pensions,
 - (b) information and advice on debt, and

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- (c) information and guidance designed to enhance people's understanding and knowledge of financial matters and their ability to manage their own financial affairs.

Commencement Information

II S. 2 in force at 1.10.2018 by [S.I. 2018/1029](#), **reg. 2(b)**

3 Functions

- (1) The single financial guidance body has the following functions—
 - (a) the pensions guidance function;
 - (b) the debt advice function;
 - (c) the money guidance function;
 - (d) the consumer protection function;
 - (e) the strategic function.
- (2) The single financial guidance body also has the function of providing—
 - (a) advice and assistance to the Secretary of State on matters relating to the functions listed in subsection (1), and
 - (b) advice to the Secretary of State on the establishment of a debt respite scheme (see section 6).
- (3) The single financial guidance body may do anything that is incidental or conducive to the exercise of its functions.
- (4) The pensions guidance function is to provide, to members of the public, free and impartial information and guidance on matters relating to occupational and personal pensions.
- (5) The debt advice function is to provide, to members of the public in England, free and impartial information and advice on debt.
- (6) The money guidance function is to provide, to members of the public, free and impartial information and guidance designed to enhance people's understanding and knowledge of financial matters and their ability to manage their own financial affairs.
- (7) The consumer protection function is—
 - (a) to notify the FCA where, in the exercise of its other functions, the single financial guidance body becomes aware of practices carried out by FCA-regulated persons (within the meaning of section 139A of the Financial Services and Markets Act 2000) which it considers to be detrimental to consumers, and
 - (b) to consider the effect of unsolicited direct marketing on consumers of financial products and services, and, in particular—
 - (i) from time to time publish an assessment of whether unsolicited direct marketing is, or may be, having a detrimental effect on consumers, and
 - (ii) advise the Secretary of State whether to make regulations under section 22 (unsolicited direct marketing: other consumer financial products etc).

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- (8) Where the single financial guidance body provides information, guidance or advice to a person in pursuance of one of the functions mentioned in subsection (1)(a) to (c), it must consider whether the person would benefit from receiving information, guidance or advice in pursuance of any other of those functions (and it must ensure that SFGB delivery partners are under a similar duty).
- (9) The strategic function is to develop and co-ordinate a national strategy to improve—
 - (a) the financial capability of members of the public,
 - (b) the ability of members of the public to manage debt, and
 - (c) the provision of financial education to children and young people.
- (10) In developing and co-ordinating the national strategy, the single financial guidance body must work with others, such as those in the financial services industry, the devolved authorities and the public and voluntary sectors.

Commencement Information

I2 S. 3(1)(4)-(7)(9) in force at 1.10.2018 for specified purposes by [S.I. 2018/1029, reg. 3](#)

I3 S. 3(1)(4)-(7)(9) in force at 1.1.2019 in so far as not already in force by [S.I. 2018/1330, reg. 3\(a\)](#)

I4 S. 3(2)(3) in force at 1.10.2018 by [S.I. 2018/1029, reg. 2\(c\)](#)

I5 S. 3(8)(10) in force at 1.1.2019 by [S.I. 2018/1330, reg. 2\(a\)](#)

4 Specific requirements as to the pensions guidance function

- (1) As part of its pensions guidance function, the single financial guidance body must provide information and guidance for the purposes of helping a member of a pension scheme, or a survivor of a member of a pension scheme, to make decisions about what to do with the flexible benefits that may be provided to the member or survivor.
- (2) In subsection (1)—
 - (a) references to a member, or a survivor of a member, of a pension scheme include a member, or a survivor of a member, of a pension scheme for which the PPF has assumed responsibility under Part 2 of the Pensions Act 2004 or Part 3 of the Pensions (Northern Ireland) Order 2005 (S.I. 2005/255 (N.I. 1)), but
 - (b) in relation to such a member or survivor, the reference to the flexible benefits that may be provided is to be read as a reference to the money purchase benefits that may be provided by the PPF by virtue of sections 161 and 170 of that Act or Articles 145 and 154 of that Order.
- (3) In this section—
 - “flexible benefit” has the meaning given by section 74 of the Pension Schemes Act 2015;
 - “money purchase benefits”—
 - (a) in relation to England and Wales and Scotland, has the meaning given by section 181(1) of the Pension Schemes Act 1993, and
 - (b) in relation to Northern Ireland, has the meaning given by section 176(1) of the Pension Schemes (Northern Ireland) Act 1993;
 - “pension scheme” has the meaning given by section 1(5) of the Pension Schemes Act 1993;
 - “PPF” means the Board of the Pension Protection Fund;

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“survivor” has the meaning given by section 76(1) of the Pension Schemes Act 2015.

Commencement Information

I6 S. 4 in force at 1.1.2019 by [S.I. 2018/1330, reg. 2\(b\)](#)

[^{F1}4A Specific functions included in the pensions guidance function

- (1) The single financial guidance body must provide a pensions dashboard service by means of which—
 - (a) information that the trustees or managers of a relevant occupational pension scheme are required to provide by—
 - (i) regulations under section 238D(1)(a)(ii) of the Pensions Act 2004, or
 - (ii) regulations under Article 215D(1)(a)(ii) of the Pensions (Northern Ireland) Order 2005 (S.I. 2005/255 (N.I. 1)), and
 - (b) information that specified authorised persons are required to provide by general rules under section 137FAA(1)(a)(ii) of the Financial Services and Markets Act 2000,

may be requested by, and provided to, an individual or a person authorised by the individual.
- (2) The single financial guidance body may, by means of its pensions dashboard service, provide information about—
 - (a) state pensions,
 - (b) basic and additional retirement pensions, and
 - (c) state pension information relating to an individual.
- (3) The single financial guidance body may carry out other functions relating to pensions dashboard services, including functions for which provision is made by—
 - (a) regulations under section 238A of the Pensions Act 2004 or Article 215A of the Pensions (Northern Ireland) Order 2005 (qualifying pensions dashboard services),
 - (b) regulations under section 238D of the Pensions Act 2004 or Article 215D of the Pensions (Northern Ireland) Order 2005 (information from occupational pension schemes), or
 - (c) general rules under section 137FAA of the Financial Services and Markets Act 2000 (information from personal or stakeholder pension schemes).
- (4) The functions of the single financial guidance body referred to in subsections (1) to (3) are part of its pensions guidance function.
- (5) Subsections (1) to (4) are without prejudice to sections 3(4) and (8) and 4.
- (6) In this section—

“pensions dashboard service” means—

 - (a) a pensions dashboard service within the meaning of section 238A of the Pensions Act 2004, or
 - (b) a pensions dashboard service within the meaning of Article 215A of the Pensions (Northern Ireland) Order 2005 (S.I. 2005/255 (N.I. 1));

“relevant occupational pension scheme” has the meaning given by—

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- (a) section 238F of the Pensions Act 2004, in relation to England and Wales and Scotland, and
 - (b) Article 215F of the Pensions (Northern Ireland) Order 2005, in relation to Northern Ireland;
- “specified authorised person” has the meaning given by section 137FAC of the Financial Services and Markets Act 2000;
- “state pension”, “basic retirement pension”, “additional retirement pension” and “state pension information” have the meaning given by section 238C of the Pensions Act 2004.]

Textual Amendments

- F1** S. 4A inserted (11.2.2021 for specified purposes, 14.10.2022 for specified purposes) by Pension Schemes Act 2021 (c. 1), ss. 122, 131(1)(3)(a); S.I. 2022/1044, reg. 2(d) (with reg. 3)

5 Delegation of functions to delivery partner organisations

- (1) The single financial guidance body may arrange for another person (a “primary SFGB delivery partner”) to carry out any of the following functions on its behalf—
 - (a) the pensions guidance function;
 - (b) the debt advice function;
 - (c) the money guidance function.
- (2) A primary SFGB delivery partner may arrange for another person (a “secondary SFGB delivery partner”) to carry out any of the functions it is carrying out on behalf of the single financial guidance body.
- (3) A secondary SFGB delivery partner may arrange for another person to carry out any of the functions it is carrying out on behalf of the single financial guidance body, but only with the consent of the single financial guidance body.
- (4) Arrangements under this section may include provision as to payment to the SFGB delivery partner.
- (5) Arrangements under this section must include provision requiring an SFGB delivery partner to disclose information to the single financial guidance body or the FCA when requested to do so to enable the single financial guidance body or the FCA to exercise the functions set out in section 10 (monitoring and enforcement of standards).

Commencement Information

- I7** S. 5 in force at 1.1.2019 by S.I. 2018/1330, reg. 2(c)

6 Debt respite scheme: advice to the Secretary of State

- (1) The Secretary of State must, within three months of the establishment of the single financial guidance body, seek advice from the body on the establishment of a debt respite scheme.
- (2) A debt respite scheme is a scheme designed to do one or more of the following—

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- (a) protect individuals in debt from the accrual of further interest or charges on their debts during the period specified by the scheme,
 - (b) protect individuals in debt from enforcement action from their creditors during that period, and
 - (c) help individuals in debt [^{F2}and their creditors] to devise a realistic plan for the repayment of some or all of the debts.
- (3) The matters on which the Secretary of State may seek advice include (but are not limited to)—
- (a) the appropriate person to administer the scheme (and the single financial guidance body may recommend the creation of a new body for this purpose);
 - (b) whether the scheme should apply in England only, or whether it should also apply in Wales or Northern Ireland (or both);
 - (c) the scope and design of the scheme, for example—
 - (i) the types of debtors and the types of debts it should cover;
 - (ii) the types of protections it should give;
 - (iii) the time period for which the protections should apply;
 - (iv) what the obligations on debtors and creditors should be during any period for which protections apply, including any period of a repayment plan;
 - (v) the consequences of a failure by a debtor or a creditor to comply with a repayment plan;
 - (d) how the scheme should work, for example—
 - (i) how an application should be made for the protections given by the scheme;
 - (ii) suitable arrangements to keep creditors informed;
 - (iii) whether there should be a central register of persons admitted to the scheme;
 - (e) how the scheme should be implemented.
- (4) The single financial guidance body must provide the advice sought within 12 months of its establishment.
- (5) The Secretary of State must publish the advice.

Textual Amendments

F2 Words in s. 6(2)(c) omitted (E.W.) (29.6.2021) by virtue of [Financial Services Act 2021 \(c. 22\)](#), [ss. 35\(1\), 49\(2\)\(c\)](#) (with s. 35(4))

Commencement Information

I8 S. 6 in force at 1.10.2018 by [S.I. 2018/1029](#), [reg. 2\(d\)](#)

7 Debt respite scheme: regulations

- (1) As soon as reasonably practicable after receiving advice from the single financial guidance body under section 6, the Secretary of State must consider whether to make regulations under this section.

Changes to legislation: There are currently no known outstanding effects for the Financial Guidance and Claims Act 2018, Cross Heading: Objectives and functions of the single financial guidance body. (See end of Document for details)

(2) After receiving advice from the single financial guidance body under section 6, the Secretary of State may make regulations establishing a debt respite scheme.

(3) The regulations must take the advice into account.

(4) The regulations may provide for the scheme to apply—

- (a) in England only,
- (b) in England and Wales,
- (c) in England and Northern Ireland, or
- (d) in England, Wales and Northern Ireland.

[^{F3}(4A) The regulations may include the following as part of the scheme so far as it applies in England and Wales—

- (a) provision about the involvement of creditors in the process of devising a plan for the repayment of some or all of an individual's debts;
- (b) provision to protect an individual, during the period of a repayment plan, from being required to repay a debt to which the plan applies otherwise than in accordance with the plan;
- (c) provision for an amount payable in respect of a debt in accordance with a repayment plan—
 - (i) to be payable instead towards the costs of operating the repayment plan, other repayment plans or the debt respite scheme, and
 - (ii) to be treated, so far as paid towards those costs, as permanently reducing a debt to which the plan applies.]

(5) Regulations under this section may—

- (a) make different provision for different purposes,
- (b) make different provision for different areas,

[^{F4}(ba) make provision binding the Crown,]

- (c) make incidental, supplemental, consequential, transitional or saving provision, and
- (d) apply to obligations entered into, or debts due to be repaid, before the regulations come into force.

(6) Provision under subsection (5)(c) may amend any provision made by or under—

- (a) an Act of Parliament,
- (b) in the case where the regulations provide for the scheme to apply in Wales, a Measure or Act of the National Assembly for Wales, and
- (c) in the case where the regulations provide for the scheme to apply in Northern Ireland, Northern Ireland legislation.

(7) Regulations under this section are to be made by statutory instrument.

(8) An instrument containing regulations under this section may not be made unless a draft of the instrument has been laid before and approved by a resolution of—

- (a) each House of Parliament,
- (b) in the case where the regulations provide for the scheme to apply in Wales, the National Assembly for Wales, and
- (c) in the case where the regulations provide for the scheme to apply in Northern Ireland, the Northern Ireland Assembly.

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Textual Amendments

- F3** S. 7(4A) inserted (E.W) (29.6.2021) by [Financial Services Act 2021 \(c. 22\)](#), **ss. 35(2)**, 49(2)(c)
F4 S. 7(5)(ba) inserted (29.6.2021) by [Financial Services Act 2021 \(c. 22\)](#), **ss. 35(3)**, 49(2)(c)
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Commencement Information

- I9** S. 7 in force at 1.10.2018 by [S.I. 2018/1029](#), **reg. 2(e)**

8 Guidance and directions from the Secretary of State

- (1) The Secretary of State may issue guidance and give directions to the single financial guidance body about the exercise of its functions.
- (2) The Secretary of State must publish any directions that are given to the single financial guidance body.
- (3) The single financial guidance body must have regard to guidance, and comply with directions, given to it by the Secretary of State.

Commencement Information

- I10** S. 8 in force at 1.10.2018 by [S.I. 2018/1029](#), **reg. 2(f)**

Changes to legislation:

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