



# Financial Guidance and Claims Act 2018

## 2018 CHAPTER 10

### PART 2

#### CLAIMS MANAGEMENT SERVICES

##### *Charges for claims management services*

#### **29 PPI claims and charges for claims management services: general**

- (1) This section and sections 30 to 32 make provision for a fee cap to apply in certain circumstances to charges for regulated services provided in connection with a PPI claim.
- (2) The following provisions explain terms used in those sections.
- (3) The fee cap applicable to the amount charged for regulated services provided in connection with a PPI claim is 20% of the amount recovered for the claimant in satisfaction of the claim.

Accordingly, where nothing is recovered (whether or not a claim has been made or concluded) the fee cap is zero.

- (4) But the charging of a reasonable amount for work done for the claimant is not to be regarded as exceeding the fee cap for a PPI claim if—
  - (a) the amount is charged for regulated services provided in connection with the claim,
  - (b) no other amount is charged for those services,
  - (c) the claimant has terminated the agreement governing the provision of such services (whether before or after the making of a claim), and
  - (d) the termination was not achieved by the cancellation of the agreement during a cooling off period available to the claimant by right (whether conferred by the agreement or otherwise).

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*Status: Point in time view as at 01/04/2019.*

*Changes to legislation: There are currently no known outstanding effects for the Financial Guidance and Claims Act 2018, Section 29. (See end of Document for details)*

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- (5) References to a claim are to a claim (however described) seeking compensation, restitution, repayment or any other financial remedy or relief, whether or not the claim is made or could be made by way of legal proceedings.
- (6) References to the amount charged for regulated services provided in connection with a PPI claim are references to a sum comprising all amounts charged for such services in connection with the claim (whether or not charged under a single agreement), exclusive of VAT.
- (7) References to the amount recovered for the claimant, in relation to a PPI claim, include a reference to any amount which (instead of being paid to or to the order of the claimant)—
  - (a) is set off against a debt due from the claimant to the person against whom the claim is made, or
  - (b) is paid to any person other than the claimant (whether a person providing regulated services in connection with the claim or any other person) with a view to discharging the whole or part of a debt due from the claimant.
- (8) In this section references to regulated services are—
  - (a) so far as relevant for the purposes of section 30, to be read as referring to regulated claims management services,
  - (b) so far as relevant for the purposes of section 31, to be read as referring to any service which is a regulated claims management activity, and
  - (c) so far as relevant for the purposes of section 32, to be read as referring to any service which is a relevant claims management activity (within the meaning given by subsection (5) of that section).
- (9) “PPI claim” means a claim relating to the selling of payment protection insurance (whether it concerns amounts paid by the policyholder or otherwise).
- (10) “Regulated claims management services”—
  - (a) does not include any reserved legal activities of the kind mentioned in section 12(1)(a) or (b) of the Legal Services Act 2007 (exercise of a right of audience or the conduct of litigation), but
  - (b) otherwise, has the same meaning as in the Compensation Act 2006 (see section 14 of that Act).
- (11) “Regulated claims management activity” has the same meaning as in the Financial Services and Markets Act 2000 (see the definition inserted by this Act in section 417(1) of that Act).
- (12) “Section 22(1B) specified activity provisions” means provisions of an order made under section 22(1B) of the Financial Services and Markets Act 2000 (as inserted by this Act) which specify a kind of activity as a regulated activity within the meaning of that Act.
- (13) “The FCA” means the Financial Conduct Authority.

**Status:**

Point in time view as at 01/04/2019.

**Changes to legislation:**

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