
STATUTORY INSTRUMENTS

2002 No. 1501

**The Financial Services and Markets Act 2000
(Consequential Amendments and Transitional
Provisions) (Credit Unions) Order 2002**

PART 3

TRANSITIONAL PROVISIONS

Application of definition of “consumer” to customers of credit unions before commencement

4.—(1) In section 138 of the Act (Authority’s general rule-making power)⁽¹⁾, “consumers” includes (in addition to persons defined as “consumers” in subsection (7)) persons—

- (a) who before commencement used the services provided by a credit union in the course of accepting deposits;
- (b) who have rights or interests which are derived from, or are otherwise attributable to, the use of such services by other persons; or
- (c) who have rights or interests which may be adversely affected by the use of any such services by persons acting on their behalf or in a fiduciary capacity in relation to them.

(2) The definition of “consumers” in paragraph (1) is referred to in this article as “the extended definition”.

(3) For the purposes of the extended definition, subsection (8) and (9) of section 138 of the Act apply as if—

- (a) references to an authorised person were references to a credit union; and
- (b) references to carrying on a regulated activity were references to accepting deposits.

(4) The extended definition applies for the purposes of subsection (3) of section 5 (the protection of consumers), subsection (7) of section 10 (the Consumer Panel), subsection (5) of section 14 (cases in which the Treasury may arrange independent inquiries), subsection (6) of section 186 (objection to acquisition of control) and subsection (11) of section 391 (publication of notices) of the Act.

(5) But the extended definition does not apply for the purposes of paragraph 1 of Schedule 4 to the Act (Treaty rights).

Compensation scheme

5.—(1) Notwithstanding anything to the contrary in section 213(9) or 224(3) of the Act—

- (a) any credit union which, after commencement, becomes unable, or is likely to become unable, to satisfy claims against it which relate to deposits which were accepted before commencement, and
- (b) any credit union which—

(1) Modified by [S.I.2001/1821](#).

- (i) has ceased to have Part IV permission by virtue of article 3(4) of the Permission Order, and
- (ii) thereafter, becomes unable, or is likely to become unable, to satisfy claims against it which relate to deposits which were accepted after commencement but before the date on which it ceased to have Part IV permission,

is to be treated after commencement as a relevant person in relation to such a claim or potential claim for the purposes of Part XV of the Act (compensation scheme) and any rules made before commencement by the Authority” under that Part.

(2) Any rules made by the Authority” before commencement under section 214(1)(a) of the Act (rules making provision as to the circumstances in which a person is to be taken to be unable or likely to be unable to satisfy claims made against him) apply for the purpose of determining whether a credit union has become, or is likely to become, unable to satisfy claims against it within the meaning of paragraph (1).

Saving of section 19 of the 1979 Act

6.—(1) Notwithstanding the repeal of section 19 of, and Schedule 2 to, the 1979 Act (power to suspend operations of credit unions), that section and that Schedule continue to have effect in relation to any credit union whose Part IV permission ceases to have effect by virtue of article 3(4) of the Permission Order (failure to re-apply for permission when directed by the Authority” to do so).

(2) Where the Authority” has, prior to the relevant date, served a notice which complies with the conditions set out in paragraph (4) on a specified credit union, paragraph 1 of Schedule 2 to the 1979 Act does not apply to any direction given to that credit union the nature of which is specified in the notice in accordance with paragraph (4)(c).

(3) A specified credit union is a credit union which falls within the class specified in a direction given under article 3(1) of the Permission Order but which has not complied with that direction.

(4) The conditions are that the notice—

- (a) is served on the credit union and on every member of its committee;
- (b) states that the Authority” proposes, on or after the relevant date, to give a direction under section 19 of the 1979 Act;
- (c) specifies the nature of the direction the Authority” proposes to give and the considerations which have led it to conclude that such a direction should be given;
- (d) is served at least twenty-eight days before the relevant date; and
- (e) states that no direction will be given if the credit union complies with the applicable direction under article 3(1) of the Permission Order.

(5) Where the Authority” serves a notice of the kind specified by paragraph (2), references in paragraph 2 of Schedule 2 to the 1979 Act to “the notice” are to be treated as references to that notice.

(6) In this article, the “relevant date” in relation to a credit union is the date on which the Part IV permission of that credit union ceases to have effect by virtue of article 3(4) of the Permission Order.

Saving of section 39 of the 1965 Act

7. Notwithstanding any amendment made by this Order which relates to section 39 of the 1965 Act, that section applies in respect of any period which—

- (a) is required by that section to be included in a return, and
- (b) has expired before commencement,

as if that amendment had not been made.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.
