



Financial Services Act 2012

2012 CHAPTER 21

PART 9

MISCELLANEOUS

Consumer credit

108 Suspension of licences under Part 3 of Consumer Credit Act 1974

- (1) The Consumer Credit Act 1974 is amended as follows.
- (2) In section 32 (suspension or revocation)—
 - (a) in subsection (1), omit “or suspended”,
 - (b) in subsection (2)—
 - (i) in paragraph (a), omit “, as the case may be,” and “, or suspend it until a specified date or indefinitely,”, and
 - (ii) in paragraph (b), omit “or suspension” and “or suspend”,
 - (c) in subsection (3)—
 - (i) in paragraph (a), omit “, as the case may be,” and “, or suspend it until a specified date or indefinitely,”, and
 - (ii) in paragraph (b), omit “or suspension”,
 - (d) in subsection (4)—
 - (i) in paragraph (a), omit “, as the case may be,” and “, or suspend it until a specified date or indefinitely,”, and
 - (ii) in paragraph (b), omit “or suspension”,
 - (e) in subsections (6) and (7), omit “or suspension”,
 - (f) omit subsection (8),
 - (g) in subsection (9), omit “or to suspend”, and
 - (h) in the heading, omit “Suspension and”.
- (3) After section 32 insert—

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“32A Power to suspend licence

- (1) If during the currency of a licence it appears to the OFT to be urgently necessary for the protection of consumers that the licence should cease to have effect immediately or on a specified date, the OFT is to proceed as follows.
- (2) In the case of a standard licence the OFT must, by notice—
 - (a) inform the licensee that the OFT is suspending the licence from the date of the notice or from a later date specified in the notice,
 - (b) state the OFT's reasons for the suspension,
 - (c) state either—
 - (i) that the suspension is to end on a specified date, which must be no later than the last day of the 12 months beginning with the day on which the suspension takes effect, or
 - (ii) that the duration of the suspension is to be as provided by section 32B,
 - (d) specify any provision to be made under section 34A, and
 - (e) invite the licensee to submit to the OFT in accordance with section 34ZA representations—
 - (i) as to the suspension, and
 - (ii) about the provision (if any) that is or should be made under section 34A.
- (3) In the case of a group licence the OFT must—
 - (a) give general notice that the OFT is suspending the licence from the date of the notice or from a later date specified in the notice,
 - (b) state in the notice the OFT's reasons for the suspension,
 - (c) state in the notice either—
 - (i) that the suspension is to end on a specified date, which must be no later than the last day of the 12 months beginning with the day on which the suspension takes effect, or
 - (ii) that the duration of the suspension is to be as provided by section 32B,
 - (d) specify in the notice any provision to be made under section 34A, and
 - (e) in the notice invite any licensee to submit to the OFT in accordance with section 34ZA representations as to the suspension.
- (4) In the case of a group licence issued on application the OFT must also—
 - (a) inform the original applicant of the matters specified under subsection (3)(a) to (d) in the general notice, and
 - (b) invite the original applicant to submit to the OFT in accordance with section 34ZA representations as to the suspension.
- (5) Except for the purposes of sections 29 to 32 and section 33A, a licensee under a suspended licence is to be treated, in respect of the period of suspension, as if the licence had not been issued.
- (6) The suspension may, if the OFT thinks fit, be ended by notice given by it to the licensee or, in the case of a group licence, by general notice.

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- (7) In this section “consumers”, in relation to a licence, means individuals who have been or may be affected by the carrying on of the business to which the licence relates, other than individuals who are themselves licensees.

32B Duration of suspension

- (1) This section applies where a notice under section 32A provides for the duration of a suspension under that section to be as provided by this section.
- (2) The suspension ends at the end of the period of 12 months beginning with the day on which it takes effect, but this is subject to—
- (a) subsections (3) and (4) (where those subsections give a later time), and
 - (b) the powers of the OFT under section 32A(6) and section 33.
- (3) Subsection (4) applies where—
- (a) the OFT gives notice under section 32 that it is minded to revoke the licence, and
 - (b) it gives that notice—
 - (i) on or before giving the notice under section 32A, or
 - (ii) after giving that notice but before the end of the period of 12 months mentioned in subsection (2).
- (4) The period of suspension is to continue until—
- (a) the time of any determination by the OFT not to revoke the licence in pursuance of the notice under section 32, or
 - (b) where the OFT determines to revoke the licence in pursuance of the notice, the end of the appeal period.”
- (4) In section 33 (application to end suspension), for subsection (1) substitute—
- “(1) On an application made by a licensee the OFT may, if it thinks fit, by notice to the licensee end the suspension of a licence under section 32A, whether the suspension was for a fixed period or for a period determined in accordance with section 32B.”
- (5) In section 33A (power of OFT to impose requirements on licensees) after subsection (6) insert—
- “(6A) A requirement imposed under this section during a period of suspension cannot take effect before the end of the suspension.”
- (6) After section 34 insert—

“34ZA Representations to OFT: suspension under section 32A

- (1) Where this section applies to an invitation by the OFT to any person (“P”) to submit representations, the OFT must invite P, within 21 days after the notice containing the invitation is given to P or published, or such longer period as the OFT may allow—
- (a) to submit P’s representations in writing to the OFT, and
 - (b) to give notice to the OFT, if P thinks fit, that P wishes to make representations orally,

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and where notice is given under paragraph (b) the OFT must arrange for the oral representations to be heard.

- (2) The OFT must reconsider its determination under section 32A and determine whether to confirm it (with or without variation) or revoke it and in doing so must take into account any representations submitted or made under this section.
 - (3) The OFT must give notice of its determination under this section to the persons who were required to be invited to submit representations about the original determination under section 32A or, where the invitation to submit representations was required to be given by general notice, must give general notice of the confirmation or revocation.”
- (7) In section 34A (winding-up of standard licensee's business), in subsection (2)—
- (a) in paragraph (c), omit “suspend or”, and
 - (b) after paragraph (c) insert—
 - “(d) a determination to suspend such a licence under section 32A (including a determination made under section 34ZA on reconsidering a previous determination under section 32A);”.
- (8) In section 41 (appeals) after subsection (1) insert—
- “(1ZA) References in the table to a determination as to the suspension of a standard licence or group licence are to be read as references to a determination under section 34ZA to confirm a determination to suspend a standard licence or group licence.”
- (9) Nothing in this section affects the powers conferred by section 22 of FSMA 2000 or section 107 of this Act.

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Act power to apply conferred (temp.) by [2014 c. 21 s. 79\(4\)](#)
- Act power to apply conferred (temp.) by [2014 c. 21 s. 81\(10\)](#)