



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.

Changes to legislation:

There are currently no known outstanding effects for the Financial Services (Banking Reform) Act 2013, Section 131.