



Digital Markets, Competition and Consumers Act 2024

2024 CHAPTER 13

PART 4

CONSUMER RIGHTS AND DISPUTES

CHAPTER 3

CONSUMER SAVINGS SCHEMES

282 Meaning of “consumer savings scheme contract”

- (1) For the purposes of this Chapter, a consumer savings scheme contract is a contract—
 - (a) under which—
 - (i) a consumer makes payments to a trader,
 - (ii) the trader credits those payments to an account that is held by the trader for the consumer (“the consumer’s account”), and
 - (iii) the payments credited to the consumer’s account provide a fund for the consumer to redeem as goods, services or digital content in accordance with the terms of the contract,
 - (b) to which one or more of subsections (2), (3) or (4) applies, and
 - (c) which is not an excluded arrangement (see section 284).
- (2) This subsection applies to a contract if it contains terms which have the effect of restricting the times at, or periods of time during, which the consumer may redeem funds from the consumer’s account.
- (3) This subsection applies to a contract if it contains terms which have the effect of incentivising the consumer to redeem, or refrain from redeeming, funds in the consumer’s account at a time, or during a period of time, specified in the terms of the contract.

- (4) This subsection applies to a contract if it is marketed or advertised in such a way as to encourage the consumer to redeem, or refrain from redeeming, funds in the consumer’s account at a time, or during a period of time, specified in material used for the purposes of marketing or advertising the contract.

283 Other defined terms

- (1) In this Chapter, references to a trader operating a consumer savings scheme are references to a trader entering into a consumer savings scheme contract.
- (2) For the purposes of [section 282\(1\)\(a\)\(ii\)](#), it is sufficient for a trader to hold the consumer’s payments in some way other than crediting those payments to a specific account for that consumer and references in this Chapter to a “consumer’s account” are to be construed accordingly.
- (3) In this Chapter, “protected payments” are payments, made by a consumer under a consumer savings scheme contract, in respect of which funds in the consumer’s account have not been redeemed.
- (4) Subject to [subsection \(5\)](#), in this Chapter, funds are treated as redeemed when the trader provides the consumer with goods, services or digital content in accordance with the terms of the consumer savings scheme contract.
- (5) Where a trader provides a consumer with vouchers or credit-tokens which may be redeemed only in respect of goods, services or digital content provided by that trader, funds are treated as redeemed for the purposes of this Chapter only when those vouchers or credit-tokens are redeemed.

284 Excluded arrangements

- (1) An arrangement is an excluded arrangement for the purposes of this Chapter if it is of a description set out in [Schedule 24](#).
- (2) The Secretary of State may by regulations amend [Schedule 24](#) so as to—
- (a) add a description of an arrangement to the Schedule;
 - (b) remove a description of an arrangement from the Schedule;
 - (c) modify a description of an arrangement set out in the Schedule.
- (3) The power under [subsection \(2\)\(a\)](#) and [\(c\)](#) includes power to provide for an arrangement to be an excluded arrangement—
- (a) generally for the purposes of this Chapter;
 - (b) only for such purposes of this Chapter as are specified.
- (4) Regulations under [subsection \(2\)](#) are subject to the affirmative procedure.

285 Insolvency protection requirement

- (1) A trader operating a consumer savings scheme must make and maintain the arrangements set out in [section 286](#) (insurance arrangements) or in [section 287](#) (trust arrangements) to cover, in the event of the trader’s insolvency, the cost of returning to the consumer any protected payments at the time of the insolvency.

- (2) It is an implied term of every consumer savings scheme contract that the trader complies with the requirements of this section.
- (3) A trader operating a consumer savings scheme in the United Kingdom, who is not established in the United Kingdom, must comply with the requirements of this section.
- (4) References in this Chapter to a trader’s insolvency are references to—
 - (a) a bankruptcy order having been made in relation to the trader (or, in Scotland, the trader’s estate having been sequestrated),
 - (b) a winding up order having been made in relation to the trader as a result of the trader’s insolvency,
 - (c) an appointment of a liquidator (otherwise than following the making of a winding up order) as a result of the trader’s insolvency,
 - (d) the trader being in administration,
 - (e) the appointment of an administrative receiver (or, in Scotland, a receiver) in relation to the trader, or
 - (f) in any jurisdiction, the trader being subject to an order or procedure that corresponds to any order or procedure mentioned in paragraphs (a) to (e).

286 Insurance arrangements

- (1) Where a trader relies on arrangements under this section for the purpose of satisfying section 285, the trader must maintain insurance under one or more appropriate policies with an insurer authorised in respect of such business in the United Kingdom, the Channel Islands or the Isle of Man.
- (2) In this section “appropriate policy” means a policy—
 - (a) under which the insurer agrees to indemnify consumers in the event of the insolvency of the trader;
 - (b) under which consumers are insured persons in respect of the costs referred to in paragraph (d);
 - (c) which does not contain a condition which provides (in whatever terms) that no liability arises, or that any liability arising ceases—
 - (i) in the event of some specified thing being done or omitted to be done after the happening of the event giving rise to a claim under the policy;
 - (ii) in the event of the policy holder not making payments under or in connection with other policies; or
 - (iii) unless the policy holder keeps specified records or makes available to, or provides the insurer with, information from those records; and
 - (d) which covers the costs of returning to the consumer any protected payments at the time of the insolvency.
- (3) The trader must meet the costs of arranging and maintaining an appropriate policy and any related charges or taxes, without recourse to the consumer payments which are to be protected under that policy.

287 Trust arrangements

- (1) Where a trader relies on arrangements under this section for the purpose of satisfying section 285, the trader must ensure that all payments made by a consumer

Status: This is the original version (as it was originally enacted).

under a consumer savings scheme contract are held on trust for the consumer, in the United Kingdom, by one or more persons appointed as trustees for the consumer.

- (2) Subject to subsection (3), the monies are to be held on trust for the consumer as required by subsection (1) until—
 - (a) the funds in the consumer’s account have been redeemed, or
 - (b) any payments made by the consumer in respect of the consumer savings scheme contract have been returned to the consumer.
- (3) The trustees may authorise the use of monies held on trust for the consumer as required by subsection (1)—
 - (a) to pay suppliers for goods, services or digital content to be provided to the consumer in accordance with the terms of the consumer savings scheme contract,
 - (b) to return payments to the consumer in exceptional circumstances, or
 - (c) to pay any profits after the consumer has redeemed all of the funds in their account.
- (4) For the purposes of subsection (3)(a), trustees may only authorise the release of monies on receipt of a declaration by the trader that the trader is solvent.
- (5) The trustee, or where there is more than one trustee, the majority of persons appointed as trustees for the purpose of subsection (1), must be independent of the trader.
- (6) For the purpose of [subsection \(5\)](#), a person is independent of the trader in relation to a trust only if—
 - (a) the person has no interest in the assets of the trader or of the trust otherwise than as a trustee of that trust, and
 - (b) the person is neither connected with, nor an associate of—
 - (i) the trader, or
 - (ii) any person for the time being acting as an insolvency practitioner in relation to the trader.
- (7) The cost of administering the trust must be paid for by the trader.
- (8) The trader must arrange for an independent auditor to be appointed to audit the accounts of the trust every three years.
- (9) In the event of a trader’s insolvency, monies held on trust for a consumer by the trustees in accordance with this section must be returned to the consumer.

288 Information requirements

- (1) A trader must, before the end of 30 working days beginning with the day on which a consumer makes the first payment to the trader under a consumer savings scheme contract, provide to the consumer the following information—
 - (a) the name, address, telephone number and email address of the insurer or trustees responsible for protecting the consumer’s payments;
 - (b) where insurance arrangements are in place, the policy number for the policy under which the consumer’s payments are protected;
 - (c) where trust arrangements are in place, a copy of the trust deed under which the consumer’s payments are held.

- (2) The trader must notify the consumer of any change to any of the information provided under subsection (1) before the end of 30 working days, beginning with the day on which the change takes effect.
- (3) Where a consumer makes a written request to the trader for the information mentioned in subsection (1), the trader must, before the end of 30 working days beginning with the day on which the request is received, provide, without charge, the information requested.
- (4) The information provided under this section must be in clear and plain language and, if in writing, in a legible form.
- (5) The information provided under this section must—
 - (a) in cases where the contract is to be entered into in the simultaneous physical presence of the trader and the consumer, be given in writing on a durable medium;
 - (b) in cases where the contract is to be entered into online without the simultaneous physical presence of the trader and the consumer—
 - (i) be given in writing by being displayed in any location online where the consumer may take steps to enter into the contract, and
 - (ii) be accessible in that location without the need for any action by the consumer;
 - (c) in cases where the contract is to be entered into orally without the simultaneous physical presence of the trader and the consumer, be given to the consumer orally and in a way that is audible and comprehensible.
- (6) In cases not falling within [subsection \(5\)\(a\)](#) the trader must also, as soon as reasonably practicable after the contract has been entered into, give the consumer the information in writing on a durable medium.
- (7) A trader operating a consumer savings scheme in the United Kingdom, who is not established in the United Kingdom, must comply with the requirements of this section.
- (8) It is an implied term of every consumer savings scheme contract that the trader complies with the requirements of this section.
- (9) The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 ([S.I. 3134/2013](#)) apply to consumer savings scheme contracts to the extent that requirements under those regulations are not met by compliance with this section.

289 Consequential amendments

- (1) In Schedule 3 to the Regulatory Enforcement and Sanctions Act 2008 (enactments specified for the purposes of Part 1), at the appropriate place insert—

“Digital Markets, Competition and Consumers Act 2024, [Chapter 3](#) of [Part 4](#)”.
- (2) In EA 2002—
 - (a) in Schedule 14 (provisions about disclosure of information) at the appropriate place insert—

“[Chapter 3](#) of [Part 4](#) of the Digital Markets, Competition and Consumers Act 2024.”;

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- (b) in Schedule 15 (enactments conferring functions) at the appropriate place insert—

“Chapter 3 of Part 4 of the Digital Markets, Competition and Consumers Act 2024.”

290 Interpretation

In this Chapter—

“business” includes—

- (a) a trade, craft or profession, and
- (b) any other undertaking carried on for gain or reward,

but does not include the activities of any government department or local or public authority;

“consumer” means an individual acting for purposes that are wholly or mainly outside the individual’s business;

“durable medium” means, in relation to the provision of information, paper, email or any other medium that—

- (a) allows the information to be addressed personally to the consumer,
- (b) enables the consumer to store the information in a way accessible for future reference for a period that is long enough for the purposes of the information, and
- (c) allows the unchanged reproduction of the information stored;

“excluded arrangement” is to be read in accordance with section 284;

“goods” includes vouchers, rights and obligations but does not include buildings or other structures or immovable property;

“trader” means a person (“P”) acting for purposes relating to P’s business whether acting personally or through another person acting in P’s name or on P’s behalf;

“turnover” has the same meaning as in section 204 (determination of turnover) and references to “this Part” in section 204 are to be read, for the purposes of this Chapter, as references to this Chapter.