



Financial Services (Banking Reform) Act 2013

2013 CHAPTER 33

PART 7

MISCELLANEOUS

Claims management services

139 Power to impose penalties on persons providing claims management services

- (1) The Schedule to the Compensation Act 2006 (claims management regulations) is amended as follows.
- (2) In paragraph 8 (rules about conduct of authorised persons), in sub-paragraph (2)(b), after sub-paragraph (i) insert—
 - “(ia) provision enabling the Regulator to require an authorised person to pay a penalty;”.
- (3) In paragraph 9 (codes of practice about conduct of authorised persons), in sub-paragraph (2)(b), after sub-paragraph (i) insert—
 - “(ia) enable the Regulator to require an authorised person to pay a penalty;”.
- (4) In paragraph 10 (complaints about conduct of authorised persons), after sub-paragraph (2) insert—
 - “(3) Regulations under sub-paragraph (1) may enable the Regulator to require an authorised person to pay a penalty.”
- (5) In paragraph 11 (requirement to have indemnity insurance), in sub-paragraph (2)(b), after “Regulator” insert “to require the payment of a penalty by an authorised person or”.

- (6) In paragraph 14 (enforcement), in sub-paragraph (4), for the words from “impose” to “authorisation” substitute “require an authorised person to pay a penalty, or to impose conditions on, suspend or cancel a person’s authorisation.”.
- (7) After paragraph 15 insert—

“Penalties: supplementary provision

- 16 (1) This paragraph applies in any case where regulations include provision enabling the Regulator to require an authorised person to pay a penalty.
- (2) The regulations—
- (a) shall include provision about how the Regulator is to determine the amount of a penalty, and
 - (b) may, in particular, include provision specifying a minimum or maximum amount.
- (3) The regulations—
- (a) shall provide for income from penalties imposed by the Regulator to be paid into the Consolidated Fund, but
 - (b) may provide that such income is to be paid into the Consolidated Fund after the deduction of costs incurred by the Regulator in collecting, or enforcing the payment of, such penalties.
- (4) The regulations may also include, in particular—
- (a) provision for a penalty imposed by the Regulator to be enforced as a debt;
 - (b) provision specifying conditions that must be met before any action to enforce a penalty may be taken.”
- (8) In section 13 of the Compensation Act 2006 (appeals and references to Tribunal)—
- (a) in subsection (1), omit the “or” at the end of paragraph (d) and after paragraph (e) insert “, or
(f) imposes a penalty on the person.”;
 - (b) after subsection (1) insert—

“(1A) A person who is appealing to the Tribunal against a decision to impose a penalty may appeal against—

 - (a) the imposition of the penalty,
 - (b) the amount of the penalty, or
 - (c) any date by which the penalty, or any part of it, is required to be paid.”;
 - (c) in subsection (3), after paragraph (d) insert—

“(da) may require a person to pay a penalty (which may be of a different amount from that of any penalty imposed by the Regulator);

(db) may vary any date by which a penalty, or any part of a penalty, is required to be paid;”.