



Bank of England and Financial Services Act 2016

2016 CHAPTER 14

PART 2

FINANCIAL SERVICES

Illegal money lending

29 Illegal money lending

- (1) The Financial Services and Markets Act 2000 is amended as follows.
- (2) After Part 20A insert—

“PART 20B

ILLEGAL MONEY LENDING

333S Financial assistance for action against illegal money lending

- (1) The Treasury may make grants or loans, or give any other form of financial assistance, to any person for the purpose of taking action against illegal money lending.
- (2) Taking action against illegal money lending includes—
 - (a) investigating illegal money lending and offences connected with illegal money lending;
 - (b) prosecuting, or taking other enforcement action in respect of, illegal money lending and offences connected with illegal money lending;
 - (c) providing education, information and advice about illegal money lending, and providing support to victims of illegal money lending;

Status: This is the original version (as it was originally enacted).

- (d) undertaking or commissioning research into the effectiveness of activities of the kind described in paragraphs (a) to (c);
 - (e) providing advice, assistance and support (including financial support) to, and oversight of, persons engaged in activities of the kind described in paragraphs (a) to (c).
- (3) A grant, loan or other form of financial assistance under subsection (1) may be made or given on such terms as the Treasury consider appropriate.
- (4) “Illegal money lending” means carrying on a regulated activity within article 60B of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S.I. 2001/544) (regulated credit agreements) in circumstances which constitute an authorisation offence.

333T Funding of action against illegal money lending

- (1) The Treasury must, from time to time, notify the FCA of the amount of the Treasury’s illegal money lending costs.
- (2) The FCA must make rules requiring authorised persons, or any specified class of authorised person, to pay to the FCA specified amounts, or amounts calculated in a specified way, with a view to recovering the amount notified under subsection (1).
- (3) The amounts to be paid under the rules may include a component to recover the expenses of the FCA in collecting the payments (“collection costs”).
- (4) Before the FCA publishes a draft of the rules it must consult the Treasury.
- (5) The rules may be made only with the consent of the Treasury.
- (6) The Treasury may notify the FCA of matters that they will take into account when deciding whether or not to give consent for the purposes of subsection (5).
- (7) The FCA must have regard to any matters notified under subsection (6) before publishing a draft of rules to be made under this section.
- (8) The FCA must pay to the Treasury the amounts that it receives under rules made under this section apart from amounts in respect of its collection costs (which it may keep).
- (9) The Treasury must pay into the Consolidated Fund the amounts received by them under subsection (8).
- (10) In this section the “Treasury’s illegal money lending costs” means the expenses incurred, or expected to be incurred, by the Treasury—
- (a) in connection with providing grants, loans, or other financial assistance to any person (under section 333S or otherwise) for the purpose of taking action against illegal money lending;
 - (b) in undertaking or commissioning research relating to taking action against illegal money lending.
- (11) The Treasury may by regulations amend the definition of the “Treasury’s illegal money lending costs”.

- (12) In this section “illegal money lending” and “taking action against illegal money lending” have the same meaning as in section 333S.”
- (3) In section 138F (notification of rules), for “or 333R” substitute “, 333R or 333T”.
- (4) In section 138I (consultation by FCA)—
- (a) in subsection (6), after paragraph (cb) insert—
“*(cc)* section 333T;”;
 - (b) in subsection (10)(a), for “or 333R” substitute “, 333R or 333T”.
- (5) In section 429(2) (regulations subject to affirmative procedure), for “or 333R” substitute “, 333R or 333T”.
- (6) In paragraph 23 of Schedule 1ZA (FCA fees rules)—
- (a) in sub-paragraph (1) for “and 333R” substitute “, 333R and 333T”;
 - (b) in sub-paragraph (2ZA)(b) for “section 333R” substitute “sections 333R and 333T”.