

**EXPLANATORY MEMORANDUM TO**  
**THE CONSUMER CREDIT (DISCLOSURE OF INFORMATION) (AMENDMENT)**  
**REGULATIONS 2016**

**2016 No. 530**

**1. Introduction**

- 1.1 This explanatory memorandum has been prepared by HM Treasury and is laid before Parliament by Command of Her Majesty.

**2. Purpose of the instrument**

- 2.1 This instrument permits newly authorised consumer credit firms to continue to use forms disclosing their Interim Permission Number (rather than the Firm Reference Number) for a period of 90 days after the date on which they are given their Firm Reference Number.

**3. Matters of special interest to Parliament**

*Matters of special interest to the Joint Committee on Statutory Instruments*

- 3.1 None.

*Other matters of interest to the House of Commons*

- 3.2 As this instrument is subject to negative resolution procedure and has not been prayed against, consideration as to whether there are other matters of interest to the House of Commons does not arise at this stage.

**4. Legislative Context**

- 4.1 The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (S.I. 2013/1881) (the RAO Order), and the Financial Services Act 2012 (Consumer Credit) Order 2013 (S.I. 2013/1882), transferred the regulation of consumer credit from the Office of Fair Trading (OFT) to the Financial Conduct Authority (FCA), and provided for an interim permissions regime. The Consumer Credit (Disclosure of Information) Regulations 2010 (S.I. 2010/1013) require firms to disclose whichever of their Interim Permissions Number or their Firm Reference Number (which is given when a firm is fully authorised) is applicable to debtors or hirers before a regulated agreement is made.

**5. Extent and Territorial Application**

- 5.1 This instrument extends to all of the United Kingdom  
5.2 This instrument applies to all of the United Kingdom.

**6. European Convention on Human Rights**

- 6.1 As the instrument is subject to negative resolution procedure and does not amend primary legislation no statement is required.

## **7. Policy background**

### *What is being done and why*

- 7.1 This instrument makes provision in connection with the transfer of consumer credit regulation from the OFT to the FCA. To ease the transition, an interim permissions regime was established, enabling consumer credit firms to continue to operate on the basis of an interim permission pending the grant of full authorisation (when the firm is given a Firm Reference Number). The Interim Permission Number ceases to be valid as soon as a firm is given a Firm Reference Number, so that firms are required to change their systems and stationery immediately they are given a Firm Reference Number. This instrument permits firms a short grace period of 90 days during which either number can be provided on the Standard European Consumer Credit Information document or on pre contractual information in relation to non-business overdraft agreements following a firm's full authorisation by the FCA.

### *Consolidation*

- 7.2 The Department has no current plans to consolidate the Consumer Credit (Disclosure of Information) Regulations 2010.

## **8. Consultation outcome**

- 8.1 The FCA was consulted on the making of these Regulations. As these Regulations do not impose any requirements on firms, but provide a benefit by giving lenders a transitional period before they are required to use their Firm Reference Number on their stationary no further consultation has been carried out.

## **9. Guidance**

- 9.1 The FCA will make firms aware of these Regulations as part of the authorisation process.

## **10. Impact**

- 10.1 There is no impact on charities or voluntary bodies. These Regulations confer a benefit on lenders, including small business, giving them more time to update their internal systems to include their firm registration number on the SECCI, or on pre-contractual information in relation to non-business overdraft agreements following a firm's full authorisation by the FCA. No costs are imposed on businesses.
- 10.2 There is no impact on the public sector.
- 10.3 An Impact Assessment has not been prepared for this instrument.

## **11. Regulating small business**

- 11.1 The Regulations apply to activities that are undertaken by small businesses.
- 11.2 No specific action is proposed to minimise regulatory burdens on small businesses.
- 11.3 The Regulations do not impose any requirements on small business, but as noted above, confer a benefit on them, by enabling them to continue to use their Interim Permission Number for a transitional period of 90 days if they choose to do so. Accordingly, no action is necessary to minimise regulatory burdens on small businesses.

## **12. Monitoring & review**

- 12.1 HM Treasury in collaboration with the FCA will monitor the practical effects of the instrument to ensure the provisions continue to meet the policy aims.
- 12.2 HM Treasury has considered whether it would be appropriate to undertake a statutory review but consider that it would be disproportionate given the potential cost of undertaking a review and the minor and technical nature of the changes to the regulation being made.

## **13. Contact**

- 13.1 Paul Grocott at HM Treasury Telephone: 02072701977 or email: Paul.Grocott@HMTreasury.gsi.gov.uk can answer any queries regarding the instrument.