

Handbook Notice No 62

January 2019

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1 Overview

Legislative changes

- 1.1 On 13 December 2018, the Board of the Financial Conduct Authority made the relevant changes to the Handbook as set out in the instruments listed below.

CP	Title of instrument	Instrument No	Changes effective
<u>18/12</u>	Personal Current Accounts and Overdrafts (Information and Tools for Customers) Instrument 2018 (FCA 2018/52); Personal Current Accounts and Overdrafts (Information and Tools for Customers) (Amendment) Instrument 2018 (FCA 2018/62)	FCA 2018/52; FCA 2018/62	18.12.19
<u>18/12</u>	Consumer Credit (High-Cost Credit) Instrument 2018	FCA 2018/53	19.12.18; 19.03.19
<u>18/25</u>	Payment Services (Amendment) Instrument 2018	FCA 2018/57	19.12.18; 01.01.19; 14.09.19; 01.07.19

- 1.2 On 13 December 2018, the FCA Board made the relevant changes to the Handbook in the instrument listed below. The FCA Board also approved the Voluntary Jurisdiction rules and guidance made and amended and the standard terms for Voluntary Jurisdiction participants fixed and varied by the Financial Ombudsman Service Ltd by its Board on 14 December 2018 under this instrument.

CP	Title of instrument	Instrument No	Changes effective
<u>18/3</u>	Small Business (Eligible Complainant) Instrument 2018	FCA 2018/61; FOS 2018/7	1.4.19

- 1.3 On 2 January 2019, the Board of the Financial Conduct Authority made the relevant changes to the Handbook as set out in the instruments listed below.

CP	Title of instrument	Instrument No	Changes effective
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<u>18/22</u>	Securitisation Regulation Implementation (Fees for Third Party Verifiers) Instrument 2019	FCA 2019/1	03.01.19
<u>18/30</u>	Enforcement (EU Securitisation Regulation) Instrument 2019	FCA 2019/2	03.01.19

- 1.4 On 24 January 2019, the Board of the Financial Conduct Authority made the relevant changes to the Handbook as set out in the instruments listed below.

CP	Title of instrument	Instrument No	Changes effective
N/A	Handbook Administration (Fees Transitional Provision) Instrument 2019	FCA 2019/3	01.04.19
<u>18/21</u>	Payment Services and Electronic Money (Principles for Businesses and Conduct of Business) Instrument 2019	FCA 2019/5	01.08.19
<u>18/9</u>	Collective Investment Schemes Sourcebook (Miscellaneous Amendments) Instrument 2019	FCA 2019/6	04.02.19; 07.05.19; 07.08.19
<u>18/33</u>	Dispute Resolution: Complaints (Payment Protection Insurance) (Amendment No 4) Instrument 2019	FCA 2019/7	30.01.19

Summary of changes

- 1.5 The legislative changes referred to above are listed and briefly described in Chapter 2 of this Notice.

Feedback on responses to consultations

- 1.6 Consultation feedback is published in separate Policy Statements.

FCA Board dates

- 1.7 The table below lists forthcoming FCA Board meetings. These dates are subject to change without prior notice.

February	28
March	28
April	25



May	30
June	27
July	25
September	26
October	24
November	21
December	12

2 Summary of changes

- 2.1 This Handbook Notice describes the changes to the Handbook and other material made by the Financial Conduct Authority (FCA) Board under its legislative and other statutory powers on 13 December 2018, and 2 and 24 January 2019. Where relevant, it also refers to the development stages of that material, enabling readers to look back at developmental documents if they wish. For information on changes made by the Prudential Regulation Authority (PRA) please see <https://www.bankofengland.co.uk/news/prudential-regulation>.

Personal Current Accounts and Overdrafts (Information and Tools for Customers) Instrument 2018 (FCA 2018/52) and Personal Current Accounts and Overdrafts (Information and Tools for Customers) (Amendment) Instrument 2018 (FCA 2018/62)

- 2.2 Following consultation in Consultation Paper (CP) 18/12,¹ the FCA Board has made changes to the FCA Handbook sections listed below:

**BCOBS 1, 2 and 4
CONC 3, 4 and 6**

- 2.3 This instrument adds the following new material to the Handbook:
BCOBS 8.

- 2.4 In summary, these instruments make changes to our Handbook to tackle low levels of consumer awareness of and engagement with overdrafts. It requires providers of personal current accounts to improve the visibility and content of key general information about overdrafts, provide tools that indicate eligibility for overdrafts, automatically enrol their customers into a set of overdraft alerts and

¹ CP18/12 'High-cost Credit Review: Consultation on rent-to-own, home-collected credit, catalogue credit and store cards, and alternatives to high-cost credit Discussion on rent-to-own pricing' (May 2018)



remove any available overdraft from the description of a customer's available funds.

- 2.5 FCA 2018/52 as amended by FCA 2018/62 comes into force on 18 December 2019. Feedback has been published in a separate Consultation Paper.² CP18/42 consults on bringing the implementation date of these rules forward to early December 2019.

Consumer Credit (High-Cost Credit) Instrument 2018 (FCA 2018/53)

- 2.6 Following consultation in Consultation Paper (CP) 18/12, the FCA Board has made changes to the FCA Handbook sections listed below:

Glossary CONC 3, 4 and 6

- 2.7 This instrument adds the following new section to the Handbook: **CONC TP 7B**.
- 2.8 In summary, this instrument amends our Handbook to strengthen the protections for consumers using home-collected credit, catalogue credit and store cards.
- 2.9 In relation to home-collected credit this includes: guidance that sets out our expectations of firms in how they comply with section 49 of the Consumer Credit Act 1974 on soliciting cash loans off trade premises only where this is done in response to the customer's specific previous written request; and new rules and guidance requiring firms to explain to customers the comparative costs of refinancing an existing loan versus taking out a new loan.
- 2.10 In relation to catalogue credit and store cards this includes rules relating to the information firms must provide to customers relating to Buy Now Pay Later offers, credit limit increases, identifying and dealing with customers in financial difficulty, and providing help to customers in persistent debt.
- 2.11 This instrument comes into force on **19 March 2019**, except for Annex A and Parts 1, 3, 5 and 7 of Annex B, which came into force on **19 December 2018**. Feedback has been published in a separate Consultation Paper.³

Payment Services (Amendment) Instrument 2018 (FCA 2018/57)

² [CP18/42 'High-Cost Credit Review: Overdrafts consultation paper and policy statement' \(December 2018\)](#)

³ [CP18/43 'High-cost Credit Review: Feedback on CP18/12 with final rules and guidance and consultation on Buy Now Pay Later offers' \(December 2018\)](#)



- 2.12 Following consultation in Consultation Paper (CP) 18/16⁴ and Consultation Paper (CP) 18/25⁵, the FCA Board has made changes to the FCA Handbook sections listed below:

Glossary
SUP 15, 15C, 15C Annex 1D, 16, 16 Annex 27ED, 16 Annex 27FG and TP 1
BCOBS 5
DISP 1, 1 Annex 1ADR, 1 Annex 1AAG and TP 1
CREDS 9 Annex 1R and TP 1

- 2.13 This instrument also makes changes to material outside our Handbook, namely **PERG 15**.

- 2.14 In summary, this instrument makes changes to our Handbook to implement the revised Payment Services Directive, thereby enhancing the security of payments, improving consumer protection and furthering innovation. In particular, this will improve competition in the payments and retail banking markets through changes such as open banking, and enhance the security of electronic payments. The rules also form part of the FCA and Payment Systems Regulator's work to tackle authorised push payment (APP) fraud, where a fraudster tricks a payer into making an APP to an account controlled by that fraudster. We will require firms to report to us data on complaints they have received relating to APP fraud. We will use that data to help firms determine if they are reducing harm to consumers and to inform our supervision of firms.

- 2.15 This instrument came into force on **19 December 2018** except for part 2 of Annex B, which came into force on **1 January 2019**, part 3 of Annex B and part 2 of Annex F, which come into force on **14 September 2019**, and Annexes D and E, which come into force on **1 July 2019**. Feedback has been published in a separate Policy Statement.⁶

Small Business (Eligible Complainant) Instrument 2018 (FCA 2018/61) (FOS 2018/7)

- 2.16 Following consultation in (CP) 18/3,⁷ the FCA Board has made changes to the FCA Handbook sections listed below:

Glossary
DISP 2 and TP 1

4 [CP18/16 'Authorised push payment fraud – extending the jurisdiction of the Financial Ombudsman Service' \(June 2018\)](#)

5 [CP18/25 'Approach to final Regulatory Technical Standards and EBA guidelines under the revised Payment Services Directive \(PSD2\)' \(September 2018\)](#)

6 [PS18/24 'Approach to final Regulatory Technical Standards and EBA guidelines under the revised Payment Services Directive \(PSD2\)'](#)

7 [CP18/3 'Consultation on SME access to the Financial Ombudsman Service and Feedback to DP15/7: SMEs as Users of Financial Services' \(January 2018\)](#)



- 2.17 In summary, this instrument extends the Financial Ombudsman Service's jurisdiction to small business complainants.
- 2.18 This instrument comes into force on **1 April 2019**, immediately after those changes made by the Claims Management Instrument 2018 (FCA 2018/56) (FOS 2018/6) come into force. Feedback has been published in a separate Policy Statement.⁸

Securitisation Regulation Implementation (Fees for Third Party Verifiers) Instrument 2019 (FCA 2019/1)

- 2.19 Following consultation in Consultation Paper (CP) 18/22,⁹ the FCA Board has made changes to the FCA Handbook sections listed below:

Glossary FEES 3, 3 Annex 1R and 4 Annex 11R

- 2.20 In summary, this instrument addresses application and periodic fees for Third Party Verifiers (TPVs), which are regulated entities that can be used by manufacturers of securitisations to support a securitisation's designation as simple, transparent and standardised (STS).
- 2.21 This instrument came into force on **3 January 2019**. Feedback has been published in PS18/25.¹⁰

Enforcement (EU Securitisation Regulation) Instrument 2019 (FCA 2019/2)

- 2.22 Following consultation in Consultation Paper (CP) 18/30,¹¹ the FCA Board has made changes to the FCA Handbook sections listed below:

Glossary DEPP 2 Annex 1G, 2 Annex 2G, Sch 3 and Sch 4

- 2.23 This instrument also makes changes to material outside the Handbook, namely to **EG 19**.
- 2.24 In summary, this instrument makes amendments to the Decision Procedure and Penalties manual (DEPP) and the Enforcement Guide (EG), to set out the decision-making procedures for authorising, withdrawing or cancelling the authorisations of third party verifiers. It also sets out our investigatory and enforcement powers over persons

8 [PS18/21 'SME access to the Financial Ombudsman Service – near-final rules' \(October 2018\)](#)

9 [CP18/22 'Handbook changes to reflect the application of the EU Securitisation Regulation and the amendment to the Capital Requirement Regulation' \(August 2018\)](#)

10 [PS18/25 'Implementation of the EU Securitisation Regulation and the amendment to the Capital Requirements Regulation \(including DEPP and EG changes\) – Final and near-final rules' \(December 2018\)](#)

11 [CP18/30 'EU Securitisation Regulation Implementation \(DEPP and EG\)' \(October 2018\)](#)



subject to the EU Securitisation Regulation and UK Securitisation Regulations.

- 2.25 This instrument came into force on **3 January 2019**. Feedback has been published in PS18/25.

Handbook Administration (Fees Transitional Provision) Instrument 2019 (FCA 2019/3)

- 2.26 The FCA Board has made a minor change to the module of the FCA Handbook listed below. These changes were not consulted on separately because they are minor administrative changes resulting from a numbering conflict introduced by a previous instrument. The amendments to the Handbook clarify existing provisions which have previously been consulted on. None of these changes represent any alteration in FCA policy.

FEES TP 20

- 2.27 This instrument adds the following new section to the Handbook: **FEES TP 20A**.
- 2.28 In summary, this instrument corrects a numbering conflict in our Handbook created by an error in FCA 2018/59.
- 2.29 This instrument comes into force on **1 April 2019**, immediately after those changes made by the Financial Services Compensation Scheme (Funding Review) Instrument 2018 (FCA 2018/22) enter into force.

Payment Services and Electronic Money (Principles for Businesses and Conduct of Business) Instrument 2019 (FCA 2019/5)

- 2.30 Following consultation in Consultation Paper (CP) 18/21,¹² the FCA Board has made changes to the FCA Handbook sections listed below:

**Glossary
PRIN 1 and 3
BCOBS 1 and 2**

- 2.31 In summary, this instrument extends the Principles for Businesses and certain communication rules so they apply to the provision of payment services and the issuance of e-money by certain payment service providers and e-money issuers, and introduces new communications rules for currency transfer services. This helps providers and customers

¹² CP18/21 'General standards and communication rules for the payment services and e-money sectors' (August 2018)



to understand the standards of behaviour we expect in the market. It also enables us to intervene more effectively where we see harm.

- 2.32 This instrument comes into force on **1 August 2019**. Feedback will be published in a separate Policy Statement.

Collective Investment Schemes Sourcebook (Miscellaneous Amendments) Instrument 2019 (FCA 2019/6)

- 2.33 Following consultation in Consultation Paper (CP) 18/9,¹³ the FCA Board has made changes to the FCA Handbook sections listed below:

**Glossary
COBS 4 and TP 2
COLL 4 and 6**

- 2.34 In summary, this instrument makes changes to our Handbook to help investors in authorised funds to get better information about what their fund manager is doing, and to understand better how they can evaluate whether their fund manager has done a good job.

- 2.35 This instrument comes into force as follows. Part 1 of Annex B (COBS) to this instrument comes into force on **4 February 2019**. Annex A (Glossary), Part 2 of Annex B (COBS) and Part 1 of Annex C (COLL) to this instrument come into force on **7 May 2019**. Part 2 of Annex C (COLL) to this instrument comes into force on **7 August 2019**.

- 2.36 Feedback will be published in a separate Policy Statement.

Dispute Resolution: Complaints (Payment Protection Insurance) (Amendment No 4) Instrument 2019 (FCA 2019/7)

- 2.37 Following consultation in Consultation Paper (CP) 18/33,¹⁴ the FCA Board has made changes to the FCA Handbook sections listed below:

DISP App 3

- 2.38 In summary, this instrument contains rules and guidance that require:

- Lenders to write to specific regular premium PPI Plevin complainants whose complaints they previously rejected on the grounds that they did not involve an unfair credit relationship or were out of jurisdiction. These letters should tell these consumers that they can make a new complaint in light of RND, and remind them of our 29 August 2019 deadline for complaining.

¹³ CP18/9 'Consultation on further remedies – Asset Management Market Study' (April 2019)

¹⁴ CP18/33 'Regular premium PPI complaints and recurring non-disclosure of commission – Feedback on CP18/18, final guidance, and consultation on proposed mailing requirements' (November 2018)



- Sellers (including brokers) to write to specific regular and single premium PPI mis-selling complainants whom they previously rejected as out of jurisdiction (who were not caught by our previous Plevin mailing rule and not written to). These letters should tell these consumers that they can make a new complaint to the lender about non-disclosure of commission (in light of RND or Plevin depending on the circumstances), and remind them of the deadline.

2.39 This instrument comes into force on **30 January 2019**. Feedback will be published in a separate Policy Statement.

3 Additional information

Making corrections

3.1 The FCA reserves the right to make correctional or clarificatory amendments to the instruments made at the Board meeting without further consultation should this prove necessary or desirable.

Publication of Handbook material

3.2 This Notice is published on the FCA website and is available in hardcopy.

3.3 The formal legal instruments (which contain details of the changes) can be found on the FCA's website listed by date, reference number or module at www.handbook.fca.org.uk/instrument. The definitive version of the Handbook at any time is the version contained in the legal instruments.

3.4 The changes to the Handbook are incorporated in the consolidated Handbook text on the website as soon as practicable after the legal instruments are published.

3.5 The consolidated text of the Handbook can be found on the FCA's website at www.handbook.fca.org.uk/. A print version of the Handbook is available from The Stationery Office's shop at: www.tsoshop.co.uk/Financial-Conduct-Authority-FCA/.

3.6 Copies of the FCA's Consultation Papers referred to in this Notice are available on the FCA's website.



Comments

- 3.7 We always welcome feedback on the way we present information in the Handbook Notice. If you have any suggestions, they should be sent to handbookproduction@fca.org.uk (or see contact details on the back cover).

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This Handbook Notice describes the changes to the Handbook and other material made by the Financial Conduct Authority (FCA) Board under its legislative and other statutory powers on 13 December 2018, and 2 and 24 January 2019. It also describes changes made by the Board of the Financial Ombudsman Service to its rules and standard terms on 14 December 2018, with the approval of the FCA Board. It also contains information about other publications relating to the Handbook and, if appropriate, lists minor corrections made to previous instruments made by the Board.

Contact names for the individual modules are listed in the relevant Consultation Papers and Policy Statements referred to in this Notice.

General comments and queries on the Handbook can be addressed to:

Colin Shields

Tel: 020 7066 0671

Email: colin.shields@fca.org.uk

However, queries on specific requirements in the Handbook should be addressed first to your normal supervisory contact in the FCA. For most firms this will be the FCA's Contact Centre:

Tel: 0300 500 0597

Fax: 0207 066 0991

Email: firm.queries@fca.org.uk

Post: Contact Centre

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