COVID-19 PREMIUM FINANCE (No 2) INSTRUMENT 2020

Powers exercised

A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):

   (1) section 137A (The FCA’s general rules); and
   (2) section 137T (General supplementary powers).

B. The rule-making provisions listed above are specified for the purposes of section 138G(2) (Rule-making instruments) of the Act.

Commencement

C. This instrument comes into force on [date].

Amendments to the Handbook

D. The Consumer Credit sourcebook (CONC) is amended in accordance with the Annex to this instrument.

Citation

E. This instrument may be cited as the COVID-19 Premium Finance (No 2) Instrument 2020.

By order of the Board
[date]
Annex

Amendments to the Consumer Credit sourcebook (CONC)

In this Annex, underlining indicates new text and striking through indicates deleted text.

6 Post contractual requirements

…

6.7 Post contract: business practices

…

Rules on refinancing: general

6.7.17 R …

(4) For the purpose of CONC 6.7.18R, CONC 6.7.19R, CONC 6.7.21G and CONC 6.7.23R, the term “refinance” within paragraph (1) does not include where a firm extends, or purports to extend, the period over which one or more repayment is to be made by a customer in circumstances where the firm does this in order to follow the guidance entitled Credit cards (including retail revolving credit) and coronavirus: updated temporary guidance for firms, the guidance entitled Personal loans and coronavirus: updated temporary guidance for firms, the guidance entitled Motor finance agreements and coronavirus: updated temporary guidance for firms, the guidance entitled High-cost short-term credit and coronavirus: updated temporary guidance for firms, the guidance entitled Rent-to-own, buy-now-pay-later and pawnbroking agreements and coronavirus: updated temporary guidance for firms or the guidance entitled Coronavirus and customers in temporary financial difficulty: updated guidance for insurance and premium finance firms.

7 Arrears, default and recovery (including repossessions)

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7.3 Treatment of customers in default or arrears (including repossessions): lenders, owners and debt collectors

…

Forbearance and due consideration

7.3.2A R CONC 7.3.3G to CONC 7.3.6G and CONC 7.3.8G do not apply to the extent that the firm follows:
(1) the guidance entitled Credit cards (including retail revolving credit) and coronavirus: updated temporary guidance for firms, the guidance entitled Personal loans and coronavirus: updated temporary guidance for firms, the guidance entitled Motor finance agreements and coronavirus: updated temporary guidance for firms, the guidance entitled High-cost short-term credit and coronavirus: updated temporary guidance for firms or the guidance entitled Rent-to-own, buy-now-pay-later and pawnbroking agreements and coronavirus: updated temporary guidance for firms; or

(2) the part of the guidance entitled Coronavirus and customers in temporary financial difficulty: updated guidance for insurance and premium finance firms under the heading Payment Deferrals except, in each case, where the guidance indicates that the firm should act in accordance with those rules or guidance.

7.3.3 G ...

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