

Financial Services Bill

AMENDMENT
TO BE MOVED
ON REPORT

Before Clause 1

LORD STEVENSON OF BALMACARA
LORD EATWELL

Insert the following new Clause—

“Duty of care for financial service providers

- (1) The Financial Services and Markets Act 2000 is amended as follows.
- (2) In section 1C, after subsection (2)(e) insert—
 - “(ea) the general principle that firms should not profit from exploiting a consumer’s vulnerability, behavioural biases or constrained choices;”.
- (3) After section 137C insert—

“137CA FCA general rules: duty of care

 - (1) The power of the FCA to make general rules includes power to introduce a duty of care owed by authorised persons to consumers in carrying out regulated activities under this Act.
 - (2) The FCA must make rules in accordance with subsection (1) which come into force no later than 6 April 2022.”

Member’s explanatory statement

This new Clause would strengthen the FCA’s consumer protection objective and introduce requirements for the FCA to make rules for financial services firms that amount to a statutory duty of care.

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15 March 2021
