

Financial Services Bill

AMENDMENTS
TO BE MOVED
ON REPORT

After Clause 15

BARONESS NOAKES
BARONESS BOWLES OF BERKHAMSTED

This amendment replaces an amendment in the name of Baroness Noakes published on sheet HL Bill 162 – R(d).

Insert the following new Clause –

“Tough legacy contracts

- (1) The Treasury may make regulations which will apply if the FCA exercises one or more of the powers under Article 23D of the Benchmarks Regulation in respect of any benchmark (“the relevant benchmark”) to provide for the matters set out in this section.
- (2) The first matter is the interpretation of any reference to the relevant benchmark in any contract, security or instrument.
- (3) The second matter is whether and to what extent any claims, causes of action or liability in damages may arise in respect of the use of the relevant benchmark by any party in respect of a contract, security or instrument.
- (4) Regulations may apply only to contracts, securities or instruments entered into before the FCA exercises its power.
- (5) Regulations made under this section are subject to the negative procedure.”

Member’s explanatory statement

This amendment is an alternative to the two other amendments in the name of Baroness Noakes inserting new Clauses after Clause 15. They require the Treasury to make regulations to deal with continuity of contract and safe harbour where the FCA imposes changes on a benchmark under paragraph 2 of Article 23D of the Benchmark Regulation.

After Clause 40

BARONESS HAYMAN
LORD OATES
BARONESS JONES OF WHITCHURCH

Insert the following new Clause—

“Reporting on climate related financial risks and contribution of financial services to climate change targets

- (1) The FCA and PRA must within 12 months of the day on which this Act is passed, and every 12 months thereafter, lay before Parliament a report setting out—
 - (a) how they have evaluated the UK financial system's and regulated businesses' exposure to climate related financial risks, and
 - (b) the impacts of such risks on the stability of the UK financial system.
- (2) In preparing the report in subsection (1) the PRA and FCA must—
 - (a) request advice from the Climate Change Committee, and
 - (b) publish the request, together with any associated terms of reference, guidance and advice received.
- (3) The Treasury must—
 - (a) within 12 months of the day on which this Act is passed set out a timetable to consult on a review of the objectives of the FCA and PRA and how such objectives will have regard to the United Kingdom's net zero target as contained in section 1 of the Climate Change Act 2008; and
 - (b) within 12 months of the day on which this Act is passed and every 12 months thereafter, set out details of all government guidance relating to climate considerations which has been provided to the FCA and PRA through remit letters or other correspondence.
- (4) The Treasury, FCA and PRA must, in relation to any future consultations relating to financial services operating within the United Kingdom, publish details setting out—
 - (a) the extent to which commitments to net zero and biodiversity have been taken into consideration; and
 - (b) how the proposed changes set out in such consultations would contribute to the achievement of the United Kingdom's net zero target as contained in section 1 of the Climate Change Act 2008.”

Member's explanatory statement

This amendment is to provide for the establishment of a regular reporting framework for systemic climate related financial risks. It also aims to ensure that appropriate consideration is given to climate considerations in future consultations and policy development.

BARONESS HAYMAN
BARONESS ALTMANN
LORD OATES

Insert the following new Clause—

“Appointment of an FCA senior manager with responsibility for climate change

In Schedule 1ZA to the Financial Services and Markets Act 2000 (The Financial Conduct Authority), after paragraph (8) insert—

“(9) The FCA must appoint a senior manager with responsibility for climate change.””

Member’s explanatory statement

This amendment adds a new provision which provides for the appointment of a senior manager within the FCA with responsibility for climate change.

BARONESS NEVILLE-ROLFE

Insert the following new Clause—

“Requirement to report to Parliament on impact on businesses

The Secretary of State must publish an annual report on the impact of measures taken by the FCA, PRA and the Government to regulate financial services, particularly on small business, innovation and competitiveness.”

LORD LEIGH OF HURLEY
BARONESS ALTMANN

Insert the following new Clause—

“Financial Ombudsman Service rules to include potential customers

- (1) Section 226 of the Financial Services and Markets Act 2000 (compulsory jurisdiction) is amended as follows.
- (2) After subsection (7) insert—
 - “(7ZA) The rules must provide that—
 - (a) potential customers of financial services, in addition to actual customers, are eligible to make a complaint, and
 - (b) any complaints by potential customers are dealt with under the scheme.””

THE LORD BISHOP OF ST ALBANS

Insert the following new Clause—

“Requirement for the provision of gambling blockers

In regulation 71 of the Payment Services Regulations 2017 (S.I. 2017/752), after paragraph (2) insert—

“(2A) A framework contract must provide for the payment services user to have the right to stop the use of a payment instrument for specific purposes relating to transactions sent to gambling firms, as identified by card schemes merchant category codes.””

After Clause 40 - continued

BARONESS NEVILLE-ROLFE

Insert the following new Clause—

“Digital identification in the UK financial system

- (1) The Secretary of State may by regulations establish a scheme for the use of a distributed digital identification for individuals and corporate entities operating in the UK financial system.
- (2) Regulations under this section are subject to the affirmative procedure.
- (3) In this section, “the UK financial system” has the same meaning as in the Financial Services and Markets Act 2000 (see section 1I of that Act).”

Insert the following new Clause—

“Digital identification in the UK financial system: review

- (1) The Secretary of State must make a statement to Parliament, before 1 September 2021, about establishing a scheme for the use of a distributed digital identification for individuals and corporate entities operating in the UK financial system.
- (2) In this section, “the UK financial system” has the same meaning as in the Financial Services and Markets Act 2000 (see section 1I of that Act).”

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18 March 2021
