

This week at the UK regulators

Thirty second guide: The week in overview

In a week without concluded enforcement developments, the main development has been the entry into force of new rules applicable to payday lending, which follow closely behind well-publicised action against one firm for inappropriate arrears management practices concluded last week. In other developments, details have been released of a memorandum of understanding detailing co-operation arrangements between the FCA and the Competition and Markets Authority, and the FCA has imposed a temporary prohibition on short selling in respect of shares in an overseas bank.

New rules for payday lenders take effect

Following the well publicised agreement reached with Wonga, announced on 25 June (see This week at the UK regulators, 30 June 2014), new rules regulating all high-cost, short term payday loan agreements have taken effect (on 1 July). The rules, which apply both to agreements in place on 1 July 2014 and those entered into after that date make specific provision in areas including loan rollovers, continuous payment authorities ("CPAs"), and risk warnings.

Firms offering payday lending services will now only be permitted to extend the loan by means of rollover twice, and will be obliged to give customers an information sheet on free debt advice before they are able to rollover the loan. Where loan repayments are taken by CPA, payday lenders will be restricted to two unsuccessful attempts to use a CPA to collect repayments. This new restriction will seek to prevent payments being taken by CPA which may prevent consumers from paying for domestic essentials such as food. Finally, the obligation for payday lenders to include a risk warning on electronic communications has now been extended to all financial promotions including those on print, TV, and radio.

These developments follow the FCA's announcement in March that it is undertaking a thematic review into payday lending practices, (see This week at the UK regulators, 17 March 2014), and the assumption by the FCA of responsibility for regulating consumer credit on 1 April.

<https://onlineservices.cliffordchance.com/online/freeDownload.action?key=OBWlbFgNhLNomwBI%2B33QzdFhRQAhp8D%2BxrlGRel2crGqLnALtlyZewvNg3ljCGI9625E%2BXMRFyyp%0D%0A5mt12P8Wnx03DzsaBGwsIB3EVF8XihbSpJa3xHNE7tFeHpEbaelf&attachmentsize=120746>

<http://www.fca.org.uk/news/tougher-rules-for-payday-lenders-take-effect>

<http://www.fca.org.uk/news/consumer-credit-countdown-review-into-debt-collection-practices-of-payday-lenders-starts-on-day-one-of-fca-regulation>

<https://onlineservices.cliffordchance.com/online/freeDownload.action?key=OBWlbFgNhLNomwBI%2B33QzdFhRQAhp8D%2BxrlGRel2crGqLnALtlyZe8jnT1yoVtP8Dk33tUw9C0Dp%0D%0A5mt12P8Wnx03DzsaBGwsIB3EVF8XihbSpJa3xHNE7tFeHpEbaelf&attachmentsize=131954>

FCA and Competition and Markets Authority draw up memorandum of understanding

Details have been released (on 1 July) of a memorandum of understanding entered into between the FCA and the Competition and Markets Authority ("CMA"). The agreement sets out how the two authorities will co-operate, work together and share information in relation to issues including competition, consumer protection and access to payment systems. It reflects various transfers of powers and responsibilities from the FSA to the FCA and from the Office of Fair Trading to the CMA and the FCA's assumption of responsibility for the regulation of consumer credit activity.

<https://www.gov.uk/government/publications/cma-and-fca-memorandum-of-understanding>

FCA imposes short selling ban

On 1 July, the FCA announced a temporary prohibition on the short selling of shares in Portugal's largest listed bank, Banco Espírito Santo, and Espírito Santo Financial group.

The prohibition was effective until 11.59pm on the same day and was not renewed.

<http://www.fca.org.uk/news/temporary-restriction-in-short-selling-banco-espirito-santo>

FCA warnings

Name of firm	Date of warning	Details
Chase Mc Millan Limited t/a Chase McMillan	4 July 2014	Not authorised http://www.fca.org.uk/news/warnings/chase-mc-millan-limited
Hill House Loans	4 July 2014	Not authorised http://www.fca.org.uk/news/warnings/hill-house-loans-cc
Thornblack Limited t/a Thorn Black International	4 July 2014	Not authorised http://www.fca.org.uk/news/warnings/thornblack-limited
BPEFX/BPE	4 July 2014	Clone firm http://www.fca.org.uk/news/warnings/bpex-bpe-clone
Cash Saga	3 July 2014	Not authorised http://www.fca.org.uk/news/warnings/cash-saga-cc
Richmond Wealth Management	3 July 2014	Clone firm http://www.fca.org.uk/news/warnings/richmond-wealth-management-clone
LK Advisors/ www.lksecurities.com	3 July 2014	Clone firm http://www.fca.org.uk/news/warnings/lk-advisors-clone
UK Fast Loan Limited	3 July 2014	Clone firm http://www.fca.org.uk/news/warnings/uk-fast-loan-limited-clone-cc
Hargreave Hale	2 July 2014	Clone firm http://www.fca.org.uk/news/warnings/hargreave-hale-clone
Asiatic Associates/Asiatic Acquisitions	2 July 2014	Not authorised http://www.fca.org.uk/news/warnings/asiatic-associates

Lansley Everett and Moore LLC	1 July 2014	Not authorised http://www.fca.org.uk/news/warnings/lansley-everett-and-moore-llc
Eagle Commerce Group	1 July 2014	Not authorised http://www.fca.org.uk/news/warnings/eagle-commerce-group

Policy developments

FCA		PRA		
Finalised policy and guidance				
		Implementation/effective date		
Policy statements	<p>Further to a consultation paper released in March (CP 14/6), the FCA has (on 3 July) released a policy statement (PS 14/11) setting out on its 2014/15 regulatory fees and levies.</p> <p>http://www.fca.org.uk/static/documents/consultation-papers/cp14-06.pdf</p> <p>http://www.fca.org.uk/static/documents/policy-statements/ps14-11.pdf</p>	1 July 2014	1 July 2014	<p>Further to a consultation paper released in April (CP 8/14), the PRA has (on 2 July) released a policy statement (PS 6/14) setting out its 2014/15 regulatory fees and levies.</p> <p>http://www.bankofengland.co.uk/pr/Pages/publications/feesandleviescp814.aspx</p> <p>http://www.bankofengland.co.uk/pr/Documents/publications/ps/2014/ps614.pdf</p>
	<p>Further to a consultation paper released last month (CP 14/9), the FCA has (on 1 July) released a policy statement (PS 14/10) detailing rule changes in relation to client money held in individual savings accounts</p> <p>http://www.fca.org.uk/static/documents/consultation-papers/cp14-09.pdf</p> <p>http://www.fca.org.uk/static/documents/policy-statements/ps14-10.pdf</p>	1 July 2014		

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