

## Chapter 2

Statement of policy with  
respect to the making of  
temporary product  
intervention rules



2.8

Competition considerations for  
temporary product intervention  
rules

- 2.8.1
- G
- When making a temporary or permanent product intervention *rule*, the *FCA* will seek to promote effective competition in the interests of *consumers* where doing so is compatible with its consumer protection objective or integrity objective.
- 2.8.2
- G
- In accordance with section 1E of the *Act* the *FCA* also has a competition objective and may make *rules*, including *temporary product intervention rules*, specifically to advance competition.
- 2.8.3
- G
- Relevant competition-related considerations for the *FCA* in the context of temporary or permanent product intervention *rules* are likely to include:

(1)

Whether there is reasonable scope for the *rules* under consideration to promote effective competition in the interests of *consumers*, for instance by addressing *consumer* behaviours that impair their ability to benefit from competition, by reducing information asymmetries or by correcting misaligned incentives.

(2)

Whether the *rule* under consideration may have a negative impact on competition factors such as product innovation and barriers to entry for new market participants.

(3)

Whether any negative impact on competition factors is proportionate, having regard to the aims of the *rule* under consideration.

(4)

Whether alternative solutions may deliver the same intended outcome while having a more positive impact on competition.

(5)

The overall effect of a proposed *rule* upon the operation of effective competition in the market for financial services, having regard to the interests of *consumers*.