

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

## Chapter 2

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## 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*.