

The Unfair Contract Terms Regulatory Guide

Chapter 1

The Unfair Contract Terms and Consumer Notices Regulatory Guide

1.6 Redress

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- (1) Under the *CRA*, the *FCA* (as a regulator and an unfair contract terms enforcer) does not have the power to grant redress to *consumers* who have suffered loss because of an unfair term or notice. *Consumers* may choose to complain to the firm and to seek redress from it. If the firm does not satisfy the *consumer's* complaint, the *consumer* may choose to refer the complaint to the *Financial Ombudsman Service*, if appropriate.
- (2) If the use of an unfair term also amounts to a *rule* breach, and that breach causes loss to *consumers*, the *FCA* can apply to court for restitution or require restitution. The *FCA* will consider whether to use these powers in accordance with the policy in ■ EG 11.
- (3) The *FCA* can use its powers under section 404 of the *Act* to make *rules* requiring *authorised persons*, *electronic money issuers* and *payment service providers* to establish and operate consumer redress schemes. The *FCA* can also impose a requirement on an *authorised person*, *electronic money issuer* and *payment service provider* under section 404F(7) of the *Act* to establish and operate a scheme that corresponds to, or is similar to, a consumer redress scheme under section 404 of the *Act*.