

HANDBOOK ADMINISTRATION (NO 62) INSTRUMENT 2022**Powers exercised**

- A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of the following powers and related provisions in or under:
- (1) the following sections of the Financial Services and Markets Act 2000 (“the Act”):
 - (a) section 137A (The FCA’s general rules);
 - (b) section 137B (FCA general rules: clients’ money, right to rescind etc);
 - (c) section 137T FSMA (General supplementary powers);
 - (d) section 137T (General supplementary powers);
 - (e) section 139A (Power of the FCA to give guidance); and
 - (2) the other rule and guidance making powers listed in Schedule 4 (Powers exercised) to the General Provisions of the FCA’s Handbook.
- B. The rule-making powers listed above are specified for the purposes of sections 138G (Rule-making instruments) of the Act.

Commencement

- C. Part 2 of Annex D of this instrument comes into force on 1 April 2023.
- D. Parts 1 and 3 of Annex D and all other parts of this instrument come into force on 16 December 2022.

Amendments to the Handbook

- E. The modules of the FCA’s Handbook of rules and guidance listed in column (1) below are amended in accordance with the Annexes in this instrument listed in column (2).

(1)	(2)
Fees manual (FEES)	Annex A
Conduct of Business sourcebook (COBS)	Annex B
Product Intervention and Product Governance sourcebook (PROD)	Annex C
Supervision manual (SUP)	Annex D

Notes

- F. In the Annexes to this instrument, the “notes” (indicated by “**Note:**” or “*Editor’s note:*”) are included for the convenience of readers but do not form part of the legislative text.

Citation

- G. This instrument may be cited as the Handbook Administration (No 62) Instrument 2022.

By order of the Board
15 December 2022

Annex A

Amendments to the Fees manual (FEES)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless stated otherwise.

App 4 Periodic fees payable by cryptoasset businesses registered under the Money
Annex 2 Laundering Regulations

[**Note:** Regulation 102 of the *Money Laundering Regulations*]

...

Fee-block	Fee-payer	Tariff base	Valuation date
G.23 <u>G.30</u>	<i>Cryptoasset business</i> registered with the <i>FCA</i> under the <i>Money Laundering Regulations</i>	Annual income, as defined in <i>FEES</i> Appendix 4 Annex 3	The business's financial year ended in the calendar year ending 31 December before the start of the period to which the fee applies

...

Annex B

Amendments to the Conduct of Business sourcebook (COBS)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless stated otherwise.

6 Information about the firm, its services and remuneration

...

6.1ZA Information about the firm and compensation information (MiFID and insurance distribution provisions)

...

Effect of provisions marked “UK” for third country investment firms and MiFID optional exemption firms

6.1ZA.3 R Provisions in this section (and in COBS 6 Annex 7UK to which this section refers) marked “UK” apply in relation to *MiFID optional exemption business* as if they were *rules* (see COBS 1.2.2G).

...

Costs and associated charges disclosure: MiFID

6.1ZA.14 UK ...

50(10) Investment firms shall provide their clients with an illustration showing the cumulative effect of costs on return when providing investment services. Such an illustration shall be provided both on an ex-ante and ex-post basis. Investment firms shall ensure that the illustration meets the following requirements:

...

[**Note:** article 50 of the *MiFID Org Regulation*]

6.1ZA.14 G Annex II of the *MiFID Org Regulation* is reproduced in COBS 6 Annex A
7UK.

...

Insert the following new annex, COBS 6 Annex 7, after COBS 6 Annex 6 (Calculating commission equivalent). The text is not underlined.

6 Annex 7 UK Identified costs that should form part of the costs to be disclosed to clients

This Annex belongs to *COBS 6.1ZA.14UK*.¹

Table 1 – All costs and associated charges charged for the investment service(s) and/or ancillary services provided to the client that should form part of the amount to be disclosed.

Cost items to be disclosed		Examples
One-off charges related to the provision of an investment service	All costs and charges paid to the investment firm at the beginning or at the end of the provided investment service(s).	Deposit fees, termination fees and switching costs ² .
Ongoing charges related to the provision of an investment service	All ongoing costs and charges paid to investment firms for their services provided to the client.	Management fees, advisory fees, custodian fees.
All costs related to transactions initiated in the course of the provision of an investment service	All costs and charges that are related to transactions performed by the investment firm or other parties.	Broker commissions ³ , entry- and exit-charges paid to the fund manager, platform fees, mark ups (embedded in the transaction price), stamp duty, transactions tax and foreign exchange costs.
Any charges that are related to ancillary services	Any costs and charges that are related to ancillary services that are not included in the costs mentioned above.	Research costs. Custody costs.
Incidental costs		Performance fees.

Table 2 – All costs and associated charges related to the financial instrument that should form part of the amount to be disclosed.

Cost items to be disclosed		Examples
One-off charges	All costs and charges (included in the price or in addition to the price of the financial instrument) paid to product suppliers at the beginning or at the end of the investment in the financial instrument.	Front-loaded management fee, structuring fee ⁴ , distribution fee.
Ongoing charges	All ongoing costs and charges related to the management of the financial product that are deducted from the value of the financial instrument during the investment in the financial instrument.	Management fees, service costs, swap fees, securities lending costs and taxes, financing costs.
All costs related to the transactions	All costs and charges that incurred as a result of the acquisition and disposal of investments.	Broker commissions, entry- and exit-charges paid by the fund, mark ups embedded in the transaction price, stamp duty, transactions tax and foreign exchange costs.
Incidental costs		Performance fees.

1 It should be noted that certain cost items appear in both tables but are not duplicative since they respectively refer to costs of the product and costs of the service. Examples are the management fees (in Table 1, this refers to management fees charged by an investment firm providing the service of portfolio management to its clients, while in Table 2 this refers to management fees charged by an investment fund manager to its investor) and broker commissions (in Table 1, this refers to commissions incurred by the investment firm when trading on behalf of its clients, while in Table 2 this refers to commissions paid by investment funds when trading on behalf of the fund).

2 Switching costs should be understood as costs (if any) that are incurred by investors by switching from one investment firm to another investment firm.

3 Broker commissions should be understood as costs that are charged by investment firms for the execution of orders.

4 Structuring fees should be understood as fees charged by manufacturers of structured investment products for structuring the products. They may cover a broader range of services provided by the manufacturer.

[**Note:** Annex II of the *MiFID Org Regulation*]

Annex C

Amendments to the Product Intervention and Product Governance sourcebook (PROD)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

4.5 Additional expectations for manufacturers and distributors in relation to value measures data

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Manufacturers of value measures products

...

4.5.4 R The requirements on *manufacturers* referred to in *PROD* 4.5.3R are:

(1) ...

(f) ...

[**Note:** The requirement in *PROD* 4.5.4R(1)(c) applies from 1 July 2021, when ~~*SUP* 16.2~~ *SUP* 16.27 will be in entered into force.]

...

...

Annex D

Amendments to the Supervision manual (SUP)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

Part 1: Comes into force on 16 December 2022

10C **Form C: Notice of ceasing to perform controlled functions including senior**
Annex 5R **management functions**

Form C – Notice of ceasing to perform controlled functions including senior management function



Bank of England

Prudential Regulation Authority

Application number
 (for FCA/PRA use only)

The *FCA* has produced notes which will assist both the applicant *firm* and the *approved person* in answering the questions in this form. Please read these notes, which are available on the *FCA* website at <https://www.handbook.fca.org.uk/handbook/SUP/10C/Annex5.html>

Both the applicant *firm* and the *approved person* will be treated by the *FCA* and *PRA* as having taken these notes into consideration when completing this form. Terms defined in either or both of the *FCA Handbook* or the *PRA Rulebook* are italicised and should be construed accordingly.

Form C - Notice of ceasing to perform *controlled functions* including *senior management functions*

FCA Handbook Reference: SUP 10C Annex 5R (Notifications)

PRA Rulebook Reference: Notifications and Senior Managers Regime - Applications and Notifications¹

~~10 December 2018~~ 16 December 2022

Name of *approved person*

Name of *firm* (as entered in 2.01)

...

12 **Appointed representatives**

...

12 Annex **Appointed representative appointment form**
3R

This annex consists of only one form. Forms can be completed online now by visiting: www.fca.org.uk/firms/authorisation

The form can also to be found through the following address: -

Add an appointed representative or tied agent form - SUP 12 Annex 3

The form (Add an appointed representative or tied agent form) referred to in SUP 12 Annex 3R is amended as shown.

Add an appointed representative or tied agent form

Notification under SUP 12.7.1R (i.e. the form in SUP 12 Ann 3R)

...

22 If question 20A is answered “yes”, approximately how much revenue does the appointed representative expect to generate from its non-regulated financial services activities in the first year following the commencement of its appointment? † § ¶

- =£0
- ≥£0 ≥£1 and <£100k
- ≥£100k and <£250k
- ≥£250k and <£1m
- ≥£1m and <£10m
- ≥£10m and <£50m
- ≥£50m and <£100m
- ≥£100m and <£500m
- ≥£500m

23 If question 20 is answered “yes”, approximately how much revenue does the appointed representative expect to generate from its non-regulated non-financial services activities in the first year following the commencement of its appointment? † § ¶

- =£0
- ≥£0 ≥£1 and <£100k
- ≥£100k and <£250k
- ≥£250k and <£1m
- ≥£1m and <£10m
- ≥£10m and <£50m
- ≥£50m and <£100m
- ≥£100m and <£500m
- ≥£500m

...

12 Annex 6R On-going reporting by principal firms on their appointed representatives

[*Editor's note*: the form can be found at this address:
https://www.fca.org.uk/publication/forms/SUP_12_Annex_6.docx]

The form (On-going reporting by principal firms on their appointed representatives) referred to in SUP 12 Annex 6R is amended as shown.

On-going reporting by principal firms on their appointed representatives

Reporting under *SUP 12.7.9DR* (i.e. the form in *SUP 12 Ann 6*)

...

† These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

* These questions should only be completed if the form is being submitted in one of the ways set out in SUP 15.7 other than online submission. It should not be completed if the submission of this form is online

§ Denotes a mandatory field

⊗ These fields are not applicable to introducer appointed representatives

...

Appointed representatives' revenue **Section C**

Complete the table below for each of your appointed representatives, including introducer appointed representatives, for the relevant period.

#	Name of the appointed representative ^{§†}	Appointed representative FRN ^{§†}	Total regulated business revenue ¹ ^{§†}	Revenue generated by financial regulated activities ^{1,2,3,4} ^{§†} ‡	Revenue generated by non-regulated financial non-regulated activities ^{2,4} ^{§†} ‡	If no regulated business revenue is reported for the appointed representative, provide a brief explanation ^{§†}	Total remuneration or financial benefit the principal firm received from the appointed representative ^{§†}	Total remuneration or financial benefit the appointed representative received from the principal ^{§†}
					...			

...

Part 2: Comes into force on 1 April 2023**16 Reporting requirements**

...

16 Annex 45AR Annual Claims Management Report form

CMC001: Key data for Claims Management

Currency: Sterling only

Units: integers

		A
...		
Nil return		
3	<p>Do you wish to report a nil return?</p> <p>All firms answering 'no' to question 3, must complete the following: Firms answering 'yes' are not required to complete the remaining questions.</p>	
...		
Prudential resources		
...		
34	<p>What was the amount of the prudential surplus or deficit at the end of the reporting period?</p> <p>The rest of the questions are only for firms that have permission for one or more of:</p>	
	<ul style="list-style-type: none"> • advice, investigation or representation in relation to a personal injury claim; 	
	<ul style="list-style-type: none"> • advice, investigation or representation in relation to a financial services or financial product claim; 	
	<ul style="list-style-type: none"> • advice, investigation or representation in relation to a housing disrepair claim; 	
	<ul style="list-style-type: none"> • advice, investigation or representation in relation to a claim for a specified benefit; 	

	<ul style="list-style-type: none"> advice, investigation or representation in relation to a criminal injury claim; and 						
	<ul style="list-style-type: none"> advice, investigation or representation in relation to an employment-related claim. 						
<u>Relevant Connections</u>							
<p><u>These questions are for firms with permission to carry on: seeking out, referrals and identification of claims or potential claims; or advice, investigation or representation in relation to a financial services or financial product claim.</u></p>							
35	<p><u>Is the firm providing notification of individuals, as per CMCOB 2.1.21R?</u></p>						<p><u>Yes / No</u></p>
<p><u>If the answer to question 35 is yes, please complete the following information:</u></p>							
36	<p><u>Where CMCOB 2.1.21R(3) applies to the individual:</u></p>						
	<p><u>the name of the individual</u></p>	<p><u>the individual's role in the firm providing the notification</u></p>	<p><u>the name of the firm at which the FSCS-eligible activity was carried on by the individual</u></p>	<p><u>the individual's role at the firm at which the FSCS-eligible activity was carried on</u></p>	<p><u>the date that role started</u></p>	<p><u>the date that role ended</u></p>	
37	<p><u>Where CMCOB 2.1.21R(5) applies to the individual:</u></p>						
	<p><u>the name of individual A</u></p>	<p><u>the individual A's role in relation to the firm providing the notification</u></p>	<p><u>the name of individual B</u></p>	<p><u>the relationship between individual A and individual B</u></p>	<p><u>the name of the firm at which the FSCS-eligible activity was carried on by individual B</u></p>	<p><u>the individual B's role at the firm at which the FSCS-eligible activity was carried on</u></p>	<p><u>the date that role started and date that role ended</u></p>
<p><u>The remaining questions are only for firms that have permission for one or more of:</u></p>							
	<ul style="list-style-type: none"> <u>advice, investigation or representation in relation to a personal injury claim;</u> 						

		<ul style="list-style-type: none"> • <u>advice, investigation or representation in relation to a financial services or financial product claim;</u> 	
		<ul style="list-style-type: none"> • <u>advice, investigation or representation in relation to a housing disrepair claim;</u> 	
		<ul style="list-style-type: none"> • <u>advice, investigation or representation in relation to a claim for a specified benefit;</u> 	
		<ul style="list-style-type: none"> • <u>advice, investigation or representation in relation to a criminal injury claim; and</u> 	
		<ul style="list-style-type: none"> • <u>advice, investigation or representation in relation to an employment-related claim.</u> 	
Professional Indemnity Insurance			
<u>35</u> <u>38</u>		Does the <i>firm</i> have permission for <i>advice, investigation or representation in relation to a personal injury claim</i> ?	
<u>36</u> <u>39</u>		Did the <i>firm</i> have a professional indemnity insurance policy in place for <i>advice, investigation or representation in relation to a personal injury claim</i> as at the end of the reporting period?	
		If yes, please complete questions 40 to 46:	
<u>40</u>	(a)	Who is the underwriter of the insurance?	
<u>41</u>	(b)	What is the policy renewal date?	
<u>42</u>	(c)	Have the minimum terms of the policy been reviewed in the last five years?	
<u>43</u>	(d)	What is the amount of the limit of indemnity (liability) for any single claim?	
<u>44</u>	(e)	What is the amount of the limit of indemnity (liability) for claims in the aggregate over the policy period?	
<u>45</u>	(f)	What is the amount of the excess (or deductible) that would be applicable for any one claim?	
<u>46</u>	(g)	Has the identity of the insurance provider or the terms and conditions of the insurance policy changed from the content of the last Annual Claims Management Report form submitted to the <i>FCA</i> ?	
Client Money			
<u>37</u> <u>47</u>		What was the highest balance of <i>client money</i> held by the <i>firm</i> at any point during the reporting period?	

<u>38</u> <u>48</u>	In relation to the balance reported for question 37 <u>47</u> , for how many different <i>customers</i> did the <i>firm</i> hold <i>client money</i> ?	
<u>39</u> <u>49</u>	For how many different <i>customers</i> did the <i>firm</i> hold <i>client money</i> for a period longer than two <i>business days</i> ?	
<u>40</u> <u>50</u>	For how many different <i>customers</i> did the <i>firm</i> hold <i>client money</i> for a period longer than five <i>business days</i> ?	
<u>41</u> <u>51</u>	What was the longest period of time for which the <i>firm</i> held <i>client money</i> for a <i>customer</i> ?	
Product Data		
<u>42</u>	What was the average fee charged by the <i>firm</i>, during the reporting period in respect of a <i>claim</i>?	
Third-party Lead Generators		
<u>43</u> <u>52</u>	How many leads did the <i>firm</i> purchase from <i>lead generators</i> during the reporting period?	
<u>44</u>	If you have provided a figure in response to the previous question <u>52</u> , provide the following details in respect of the three <i>lead generators</i> from which the <i>firm</i> purchased the most leads during this reporting period <u>in response to 53 to 55</u> :	

		Name	Postal address	Email address	Does supplier use overseas facilities (e.g. a call centre)?	Number of leads purchased from supplier over reporting period	Average cost per lead purchased from supplier over reporting period
<u>53</u>	1						
<u>54</u>	2						
<u>55</u>	3						
<u>45</u> <u>56</u>	How many leads did the <i>firm</i> supply to a third party? (include all the occasions on which the <i>firm</i> passed a <i>customer</i> , or details of a <i>customer</i> or <i>claim</i> , to a third party)						
Product data Data							
<u>57</u>	<u>What was the average fee charged by the <i>firm</i>, during the reporting period in respect of a <i>claim</i>?</u>						

How was the <i>firm's regulated claims management activity</i> divided among the following areas of work? <u>Please complete 58 to 77 below:</u>										
		Revenue	Number of <i>claims</i> where lead obtained from <i>lead generator</i>	Number of <i>claims</i> pursued	Number of successful <i>claims</i>	Number of <i>claims</i> halted or not taken forward because: no good arguable base (left hand column), suspected fraud (middle column), or being frivolous or vexatious (right hand column)				
46		financial services or financial product <i>claims</i>								
58	(a)	Payment protection insurance								
59	(b)	Packaged bank accounts								
60	(c)	Investments								
61	(d)	Payment card or bank charges								
62	(e)	Mortgages								
63	(f)	Consumer credit								
64	(g)	Pensions, including SERPS								
65	(h)	Interest rate swaps and hedging products								

<u>66</u>	(h)	Other (please specify)							
47		<i>personal injury claims</i>							
<u>67</u>	(a)	Holiday sickness							
<u>68</u>	(b)	Road traffic accidents (excluding whiplash)							
<u>69</u>	(e)	Slips, trips and falls (excluding accidents at work)							
<u>70</u>	(d)	Accidents at work							
<u>71</u>	(e)	Clinical negligence							
<u>72</u>	(f)	Whiplash							
<u>73</u>	(g)	Other (please specify)							
48		<i>housing disrepair claims</i>							
49		<i>claims for a specified benefit</i>							
50		<i>criminal injury claims</i>							

51	<i>employment-related claims</i>								
52	Of the above types of <i>claim</i> , which three saw the largest percentage change in number of successful <i>claims</i> ? Please complete 78 to 80 below:								
		Type of <i>claim</i>						Percentage change	
74	(a)								
75	(b)								
76	(c)								
Relevant Connections									
For <i>firms</i> with permission to carry on: <i>seeking out, referrals and identification of claims or potential claim; or advice, investigation or representation in relation to financial services or financial product claims</i>									
53	Is the <i>firm</i> providing notification of individuals, as per <i>CMCOB 2.1.21R</i> ?				Yes / No				
54	If the answer to question 53 is yes, please complete the following information:								
Where <i>CMCOB 2.1.21R(3)</i> applies to the individual:									
	name of the individual	individual's role in the <i>firm</i> providing the notification	name of the <i>firm</i> at which the FSCS-eligible activity was carried on by the individual	individual's role at the <i>firm</i> at which the FSCS-eligible activity was carried on	date that role started	date that role ended			
Where <i>CMCOB 2.1.21R(5)</i> applies to the individual:									
	name of individual A	individual A's role in relation to the <i>firm</i> providing	name of individual B	relationship between individual A and individual B	name of the <i>firm</i> at which the FSCS-eligible	individual B's role at the <i>firm</i> at which the FSCS-eligible	date that role started and		

		the notification			activity was carried on by individual	activity was carried on	date that role ended
					LB		

16 Annex 45BG Guidance notes for completion of the Annual Claims Management Report form

Guidance for CMC001

General notes

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~~In the form there are two sections. The first section must be answered by all firms (including those that only have permission for *seeking out, referrals and identification of claims or potential claims, or agreeing to carry on a regulated activity* in respect of one of these activities). The second section however (from question 35 onwards) is only required from those firms that have permission for one or more of the following activities:~~

Question 1 to 34 must be answered by all firms (including those that only have permission for *seeking out, referrals and identification of claims or potential claims, or agreeing to carry on a regulated activity* in respect of one of these activities).

Questions 35 to 37 are currently left blank.

Question 38 onwards should be completed by firms that have permission for one or more of the following activities:

- *advice, investigation or representation in relation to a personal injury claim;*
- *advice, investigation or representation in relation to a financial services or financial product claim;*
- *advice, investigation or representation in relation to a housing disrepair claim;*
- *advice, investigation or representation in relation to a claim for a specified benefit;*
- *advice, investigation or representation in relation to a criminal injury claim; and*
- *advice, investigation or representation in relation to an employment-related claim,*

collectively referred to in these guidance notes as ‘advising on a *claim*, investigating a *claim*, or representing a *claimant*’.

Data elements

	Question	Notes	<u>B</u>
...			
34	What was the amount of the prudential surplus or deficit at the end of the reporting period?	Enter positive figures only (irrespective of whether the amount was a surplus or deficit.)	
	The rest of the questions are only for firms that have permission for advising on a claim, investigating a claim, or representing a claimant.	All the questions below relate to advising on a claim, investigating a claim, or representing a claimant and should not include data for any other regulated claims management activity.	
<u>35</u>	<u>This row is left blank intentionally.</u>		
<u>36</u>	<u>This row is left blank intentionally.</u>		
<u>37</u>	<u>This row is left blank intentionally.</u>		
	<u>The remaining questions are only for firms that have permission for advising on a claim, investigating a claim, or representing a claimant.</u>	<u>All the questions below relate to advising on a claim, investigating a claim, or representing a claimant and should not include data for any other regulated claims management activity.</u>	
<u>Professional Indemnity Insurance</u>			
<u>35</u> <u>38</u>	Does the <i>firm</i> have permission indemnity insurance policy in place for <i>advice, investigation or representation in relation to a personal injury claim</i> ?	Answer “yes” or “no”. Having these permissions in respect of <i>personal injury claims</i> triggers a requirement to hold professional indemnity insurance.	
<u>36</u> <u>39</u>	Did the <i>firm</i> have a professional indemnity insurance policy in place for <i>advice, investigation or representation in relation to a personal injury claim</i> as at the end of the reporting period?	Answer “yes” or “no”. <u>If yes, please complete questions 40 to 46.</u>	

	If yes:		
<u>40</u>	(a)	Who was the underwriter of the insurance?	State the underwriter's name.
<u>41</u>	(b)	What is the policy renewal date?	Provide the end date of the policy in the format dd/mm/yyyy.
<u>42</u>	(c)	Have the minimum terms of the policy been reviewed in the last five years?	
<u>43</u>	(d)	What is the amount of the limit of indemnity (liability) for any single claim?	If the policy applies different indemnity limits to different insured events, enter the lowest applicable limit.
<u>44</u>	(e)	What is the amount of the limit of indemnity (liability) for claims in the aggregate over the policy period?	
<u>45</u>	(f)	What is the amount of the excess (or deductible) that would be applicable for any one claim?	
<u>46</u>	(g)	Has the identity of the insurance provider or the terms and conditions of the insurance policy changed from the content of the last Annual Claims Management Report form submitted to the FCA?	Answer "yes" or "no".
	<u>Client Money</u>		
<u>37</u> <u>47</u>		What was the highest balance of <i>client money</i> held by the <i>firm</i> at any point during the reporting period?	Report rounded to the nearest pound.
<u>38</u> <u>48</u>		In relation to the balance reported for question <u>37 47</u> , for how many different <i>customers</i> did the <i>firm</i> hold <i>client money</i> ?	Report the number of <i>customers</i> to whom the balance reported for question <u>37 47</u> relates.
<u>39</u> <u>49</u>		For how many different <i>customers</i> did the <i>firm</i> hold <i>client money</i> for a period longer than two <i>business days</i> ?	Report the total number of <i>customers</i> for whom the <i>firm</i> held <i>client money</i> for longer than two <i>business days</i> .

40 <u>50</u>	For how many different <i>customers</i> did the <i>firm</i> hold <i>client money</i> for a period longer than five <i>business days</i> ?	Report the total number of <i>customers</i> for whom the <i>firm</i> held <i>client money</i> for longer than five <i>business days</i> . Exclude (for question 40 <u>50</u> reporting purposes only) any <i>customers</i> to which the <i>firm</i> has sent a cheque or other payable order which is uncleared and/or unbanked. For the avoidance of doubt, a <i>firm</i> must continue to treat this money as <i>client money</i> until the cheque or order is presented and paid by the bank.	
41 <u>51</u>	What was the longest period of time for which the <i>firm</i> held <i>client money</i> for a <i>customer</i> ?	Report in <i>days</i> .	
42	What was the average fee charged by the <i>firm</i>, during the reporting period in respect of a <i>claim</i>?	Include in the average only <i>claims</i> where a fee was charged.	
<u>Third-party Lead Generators</u>			
43 <u>52</u>	How many leads did the <i>firm</i> purchase from <i>lead generators</i> during the reporting period?	State “None” “0” or provide a positive figure.	
44 <u>53</u> - <u>55</u>	If you have provided a figure in response to the previous question, provide the following details in respect of the three <i>lead generators</i> from which the <i>firm</i> purchased the most leads during this reporting period:	Provide all the information requested in each column for <u>53</u> to <u>55</u> .	
45 <u>56</u>	How many leads did the <i>firm</i> supply to a third party? (include all the occasions on which the firm passed a <i>customer</i> , or details of a <i>customer</i> or <i>claim</i> to a third party)		
<u>Product Data</u>			
<u>57</u>	<u>What was the average fee charged by the <i>firm</i>, during the reporting period in respect of a <i>claim</i>?</u>	<u>Include in the average only <i>claims</i> where a fee was charged.</u>	

<p>46- 51 58- 77</p>	<p>How was the <i>firm's regulated claims management activity</i> divided among the following areas of work?</p>	<p>Provide For 58 to 77, provide the following figures for each area of work.</p> <p>For financial services and products <i>claims</i> and <i>personal injury claims</i> show how this work is split between different subcategories.</p> <p>When reporting "other", complete the free text box to indicate what the figures relate to.</p>	
	<p>Revenue</p>	<p>Enter the total income earned from this type of work during the reporting period.</p>	
	<p>Number of <i>claims</i> where lead obtained from <i>lead generator</i></p>	<p>Enter the number of <i>claims</i> where the <i>customer</i> was obtained from a lead purchased from a <i>lead generator</i>.</p>	
	<p>Number of <i>claims</i> pursued</p>	<p>Enter the number of <i>claims</i> in respect of which an agreement was reached with the <i>customer</i> for the <i>firm</i> to investigate, advise or represent.</p>	
	<p>Number of successful <i>claims</i></p>	<p>Enter the number of <i>claims</i> which resulted in a payment or other remedy for the <i>customer</i>. Include <i>claims</i> settled on such terms.</p>	
	<p>Number of <i>claims</i> halted or not taken forward because: no good arguable base, suspected fraud, or being frivolous or vexatious</p>	<p>Enter the number of <i>claims</i> which the <i>firm</i> declined, or declined to continue to pursue because there was no arguable case in the left hand column; the number of those where there was suspected fraud in the middle column; and the number of those which were frivolous or vexatious in the right hand column.</p>	

<p><u>52</u> <u>78-</u> <u>80</u></p>	<p>Of the above types of <i>claim</i>, which three saw the largest percentage change in number of successful <i>claims</i>?</p>	<p>Percentage change is the increase or decrease in the number of successful <i>claims</i> concluded during the reporting period compared to the number in the equivalent period ending 12 months earlier. Enter the name of the type of <i>claim</i> and the percentage change <u>at 78 to 80</u>. For financial services or financial product <i>claims</i> and <i>personal injury claims</i>, enter the more detailed <i>claim</i> category (e.g. Whiplash).</p>	
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Part 3: Comes into force on 16 December 2022

[Editor's note: the form can be found at this address: [https://www.fca.org.uk/publication/forms/\[xxx\]](https://www.fca.org.uk/publication/forms/[xxx])]

16 Annex 48AR Value measures report form (REP019)

**REP019-
Value
measures
report**

Year ended 31/12/XXXX
FRN Number

- 1 Reporting period covered by this report
- 2 Is this the first report or restatement?
- 3 Reporting Firm
- 4 Please confirm that the reporting firm understands that the FCA produces and publishes guidance that contains the value measures data information that the firm submitted to the FCA
- 5 Please confirm that the reporting firm has informed any other firm to whom the relevant value measures information data relate that the FCA publishes the guidance

Product category	Add-on or stand-alone or all	Distribution arrangement	Number of policy sales to UK consumers	Total retail premiums (written)	Number of claims registered	Average number of policies in force	Claims frequency	Number of claims where all or part of the claim has been accepted and a pay-out has been made (and the claim is closed at the year-end)	Number of claims that have been rejected in the year	Claims acceptance rate	Total claims pay-out cost (for claims where all or part of the claim has been accepted and a pay-out has been made and the claim is closed at the year-end)	Average claims pay-out	The amount that the top 2% of claim payouts are above	Number of claim walkways	Number of claims complaints	Claims complaints as a % of claims
...																
Legal expenses - home	All	Names of five largest distribution arrangements														
Legal expenses - motor	All	Names of five largest distribution arrangements														
Legal expenses - other	All	Names of five largest distribution arrangements														
...																
Vehicle breakdown	Add-on	Names of five largest distribution arrangements														
Vehicle breakdown	Stand-alone	Names of five largest														

16
Annex
48BG

Notes on completing the value measures report form (REP019)

Proforma column	Proforma	Guidance
...		
L	Total claims pay-out cost	<p>These costs could include both internal and external outsourced costs, where relevant. For example, loss assessment activities performed in-house could be included, including both the direct cost and an appropriate apportionment of overheads.</p> <p>Excluded costs are:</p> <ul style="list-style-type: none"> • expenses including costs associated with the general handling of claims; • other non-claims costs; and • costs of providing a regular service element such as a helpline or a boiler service for home emergency. <p>Scenarios</p> <p>Where part of the claim was paid-out in the previous reporting period and part in the current reporting period, then the claim pay-out that took place in the previous period should be included in the calculation for the total pay-out in the current reporting period.</p> <p>Where a claim has been closed/settled in the previous period but the claim has been reopened in the current reporting period, any additional claim pay-out should be included in this field.</p> <p>Where <i>firms</i> subsequently receive recoveries from other <i>firms</i> these recoveries should be netted off against the relevant claim pay-outs.</p> <p>Where a claim is settled, but the settlement includes a regular payment element then the settlement value as it is reported on the <i>firm's</i> system should be included in the cost.</p> <p><u>For all legal expenses and vehicle breakdown products, <i>firms</i> are not required to report data for total claims pay out costs and average claim pay out.</u></p>
N	Top 2% of claims	<p><i>Firms</i> should report the amount that the top 2% of claim pay-outs are above in the reporting period.</p>

Proforma column	Proforma	Guidance
		<p>For example, if you have 100 claims then the 2% column would be the total claim pay-out cost for the claim accepted with the 2nd highest claim.</p> <p><u>For all legal expenses and vehicle breakdown products, firms are not required to report data for the top 2% of claims.</u></p>
...		