

Chapter 1

The Unfair Contract Terms and Consumer Notices Regulatory Guide

1.1 Application and purpose

- 1.1.1 **G** This Guide explains the *FCA's* policy on how it will use its powers under the *CRA* in relation to unfair terms and consumer notices.
- 1.1.1A **G** The *Unfair Terms Regulations* will continue to apply to contracts entered into before 1 October 2015. Firms (see 1.1.5G) should refer to the previous version of this Guide for an explanation of the *FCA's* policy regarding the *Unfair Terms Regulations*.
- 1.1.1B **G** The unfair terms provisions in Part 2 of the *CRA* apply to consumer contracts entered into on or after 1 October 2015 and consumer notices issued on or after 1 October 2015.
- 1.1.1C **G** In this Guide, 'consumer notice' has the same meaning as in section 61 of the *CRA*.
- 1.1.2 **G** We have agreed with the Competition and Markets Authority ("CMA") that the *FCA* will consider the fairness (within the meaning of the *CRA*) of those financial services contracts and consumer notices specified in the Memorandum of Understanding between the CMA and the *FCA* on the use of concurrent powers under consumer protection legislation (<http://www.fca.org.uk/fca-cma-consumer-protection-mou>).
- 1.1.3 **G** Where the firm concerned is not a *firm* or an *appointed representative*, the *FCA* will liaise with the CMA or (as appropriate) another *CRA* regulator (see EG 10.19).
- 1.1.4 **G** This Guide applies to:
- (1) *firms*;
 - (2) *appointed representatives*;

- (3) other *persons*, whether or not a *person* with *permission*, who use, or recommend the use of, contracts to carry on *regulated activities*;
- (4) *electronic money issuers*; and
- (5) *payment service providers*.

1.1.5

G This Guide uses "firm" to refer to all such persons.