

CONSUMER CREDIT (BOUNCE BACK LOANS) INSTRUMENT 2020

Powers exercised

- A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 137A (The FCA’s general rules);
 - (2) section 137T (General supplementary powers); and
 - (3) section 139A (Power of the FCA to give guidance).
- B. The rule-making powers listed above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force on 24 July 2020.

Amendments to the Handbook

- D. The Consumer Credit sourcebook (CONC) is amended in accordance with the Annex to this instrument.

Citation

- E. This instrument may be cited as the Consumer Credit (Bounce Back Loans) Instrument 2020.

By order of the Board
23 July 2020

Annex

Amendments to the Consumer Credit sourcebook (CONC)

In this Annex, underlining indicates new text.

7 Arrears, default and recovery (including repossessions)

7.1 Application

Who? What?

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7.1.2 G The following sections provide otherwise for application:

- (1) *CONC 7.12* (lenders' responsibilities in relation to debt) applies only to *firms* in respect of *consumer credit lending* or in respect of activity that would be consumer credit lending but for article 60C(4A) of the Regulated Activities Order;

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...

7.1.3A R In this chapter, the expression "regulated credit agreement" includes a credit agreement that is an exempt agreement by virtue of article 60C(4A) of the Regulated Activities Order except for the purposes of the following:

- (1) *CONC 7.5.1G*;
- (2) *CONC 7.6*; and
- (3) *CONC 7.7.4G*.

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7.1.4 R ...

- (4) A reference in this chapter to a customer or borrower does not include the guarantor under a credit agreement that is an exempt agreement by virtue of article 60C(4A) of the Regulated Activities Order.

7.1.5 G In relation to *CONC 7.1.4R*(1)(a), *firms* are reminded that the definitions of *customer* and *borrower* include, in relation to *debt collecting* and *debt administration*, a *person* providing a guarantee or indemnity under the agreement (other than a credit agreement that is an exempt agreement by virtue of article 60C(4A) of the Regulated Activities Order). (See *CONC 7.3.1G*(2) and *CONC 7.3.1G*(3).)

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7.3 Treatment of customers in default or arrears (including repossessions): lenders, owners and debt collectors

7.3.1 G ...

(3) However, in accordance with CONC 7.1.4R(4), with respect to *debt collecting*, the definitions of *customer* and *borrower* do not include the guarantor under a *credit agreement* that is an exempt agreement by virtue of article 60C(4A) of the *Regulated Activities Order*.

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7.12 Lenders' responsibilities in relation to debt

Application

7.12.1 R This section applies to a *firm* in respect to *consumer credit lending* or in respect to activity that would be *consumer credit lending* but for article 60C(4A) of the *Regulated Activities Order*.

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