

CONSUMER CREDIT (HIGH-COST SHORT-TERM CREDIT REFINANCING AND PEER-TO-PEER LENDING INFORMATION SHEETS) INSTRUMENT 2021

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 (General rule-making power).
- B. The rule-making provisions listed above are specified for the purposes of section 138G(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force on 25 October 2021.

Amendments to the FCA 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 (High-Cost Short-Term Credit Refinancing and Peer-To-Peer Lending Information Sheets) Instrument 2021.

By order of the Board
22 July 2021

Annex

Amendments to the Consumer Credit sourcebook (CONC)

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

6 Post contractual requirements

...

6.7 Post contract: business practices

...

Rules on refinancing: high-cost short-term credit

6.7.20 R Before a *firm* agrees to refinance *high-cost short-term credit*, it must:

- (1) give or send an information sheet to the *customer*; and
- (2) where reasonably practicable to do so, bring the sheet to the attention of the *customer* before the refinance;

in the form of the arrears information sheet issued by the *FCA* referred to in section 86A of the *CCA* with the following modifications:

- (3) for the title and first ~~sentence~~ two sentences of the information sheet substitute:

...

- (4) for the ~~bullet points~~ numbered points, the entirety of the 'To keep in mind' box and the 'Doing nothing could make things worse' subheading, substitute:

...

...

...

7 Arrears, default and recovery (including repossessions)

...

7.17 Notice of sums in arrears under P2P agreements for fixed-sum credit

...

Notice of sums in arrears for fixed-sum credit

...

7.17.5 R (1) ...

...

(4) A *firm* must accompany the notice required by *CONC* 7.17.4R with a copy of the current arrears information sheet under section 86A of the *CCA* with the following modifications:

(-a) ~~for the heading “Arrears” substitute “Arrears—peer-to-peer lending”;~~ [deleted]

(a) for the ~~bullet~~ numbered point headed “Work out how much money you owe” substitute:

“Work out how much money you owe. To do this, you will need to make a list of all those you owe money to. A debt adviser can help you.”;

(b) for the ~~bullet~~ numbered point headed “Contact the organisations you owe money to” substitute:

“Contact the peer-to-peer (P2P) platform which arranged your loan. Let them know you are having problems. They may be able to discuss options for paying back what you owe.”;

(ba) For the bullet point headed “If you live in England and Wales, you may be entitled to ‘breathing space’” substitute:

“You may be entitled to ‘breathing space’ – a defined period where you have protections from legal action taken against you. Speak to a debt adviser who can set out your options.”;

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