

**HANDBOOK ADMINISTRATION (NO 64) INSTRUMENT 2023****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 137T FSMA (General supplementary powers);
    - (c) section 138C (Evidential provisions);
    - (d) section 138D (Action for damages);
    - (e) section 139A (Power of the FCA to give guidance);
    - (f) section 404(3) (Consumer redress schemes); and
    - (g) section 404A (Rules under s404: supplementary); 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. This instrument comes into force on 31 March 2023.

**Amendments to the Handbook**

- D. 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)
Glossary of definitions	Annex A
Senior Management Arrangements, Systems and Controls sourcebook (SYSC)	Annex B
Training and Competence sourcebook (TC)	Annex C
Supervision manual (SUP)	Annex D
Dispute Resolution: Complaints sourcebook (DISP)	Annex E
Consumer Redress Schemes sourcebook (CONRED)	Annex F

**Citation**

- E. This instrument may be cited as the Handbook Administration (No 64) Instrument 2023.

By order of the Board  
30 March 2023

## Annex A

### Amendments to the Glossary of definitions

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

Amend the following definition as shown.

*service company* a firm whose only permitted activities are making arrangements with a view to transactions in investments, and agreeing to carry on that regulated activity, and whose Part 4A permission:

- (a) incorporates a *limitation* substantially to the effect that the firm carry on regulated activities only with ~~market counterparties~~ eligible counterparties or ~~intermediate customers~~ professional clients; and

...

...

## Annex B

### Amendments to the Senior Management Arrangements, Systems and Controls sourcebook (SYSC)

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

#### 1 Application and purpose

##### 1.1A Application

- 1.1A.1 G The application of this sourcebook is summarised at a high level in the following table. The detailed application is cut back in SYSC 1 Annex 1 and in the text of each chapter.

Type of firm	Applicable chapters
<i>Insurer, UK ISPV</i>	Chapters 2, 3, 12 to 18, 19F.2, 21, 22, 23, 24, 25, 26, 27, 28, <u>28A</u>
<i>Managing agent</i>	Chapters 2, 3, 11, 12, 15A, 18, 19F.2, 21, 22, 23, 24, 25, 26, 27, 28, <u>28A</u>
<i>Society</i>	Chapters 2, 3, 12, 15A, 18, 19F.2, 21, 22, 23, 24, 25, 26, 27, 28, <u>28A</u>
<i>Any other SMCR firm</i>	Chapters 4 to 12, 15A, 18, 19D, 19F, 19G, 21, 22, 23, 24, 25, 26, 27, 28, <u>28A</u>
<i>Every other firm</i>	Chapters 4 to 12, 15A, 18, 19D, 19F, 19G, 21, 22, 28, <u>28A</u>

Firms that SYSC 19D applies to should also refer to the Remuneration part of the *PRA Rulebook*.

- 1.1A.1A G The application of this sourcebook to specific *firms* that are not *PRA- authorised persons* is summarised at a high level in the following table. The detailed application is cut back in SYSC 1 Annex 1 and in the text of each chapter.

Type of firm	Applicable chapters
<i>Full-scope UK AIFM</i>	Chapters 4 to 10, 12, 18, 19B, 19F.2, 21, 22, 23, 24, 25, 26, 27, 28, <u>28A</u>
<i>MIFIDPRU investment firm</i> (including an <i>overseas firm</i> that would have been a <i>MIFIDPRU investment firm</i> if it had been a	Chapters 4 to 10, 12, 18, 19F, 19G, 21, 22, 23, 24, 25, 26, 27, 28, <u>28A</u>

<i>UK domestic firm, except that SYSC 19G does not apply to such a firm)</i>	
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...

**1.4 Application of SYSC 11 to ~~28~~28A**

What?

...

1.4.1-A G The application of each of the chapters SYSC 19F.2, SYSC 22 to SYSC ~~28~~ 28A is set out in those chapters.

...

Actions for damages

1.4.2 R A contravention of a *rule* in SYSC 11 to SYSC 14, SYSC 18 to SYSC 21, SYSC 22.8.1R, SYSC 22.9.1R or SYSC 23 to SYSC ~~28~~ 28A does not give rise to a right of action by a *private person* under section 138D of the Act (and each of those *rules* is specified under section 138D(3) of the Act as a provision giving rise to no such right of action).

...

**Sch 5 Rights of actions for damages**

...

Sch 5.4 G

Chapter/ Appendix	Section/ Annex	Paragraph	Right of action under section 138D		
			For private person?	Removed ?	For other person?
...					
SYSC 11 to SYSC 14, SYSC 18 to SYSC 21			No	Yes SYSC 1.4.2R	No
SYSC 15A			Yes	No, SYSC 1.4.2R	No

<i>SYSC 22</i>			Yes (apart from <i>SYSC</i> 22.8.1R and <i>SYSC</i> 22.9.1R - <u>see <i>SYSC</i></u> <u>1.4.2R</u> )	No (apart from <i>SYSC</i> 22.8.1R and <i>SYSC</i> 22.9.1R - <u>see <i>SYSC</i></u> <u>1.4.2R</u> )	No
<i>SYSC 23</i> to <i>SYSC</i> <del>27</del> <u>28A</u>			No	<u>Yes, <i>SYSC</i></u> <u>1.4.2R</u>	No

## Annex C

## Amendments to the Training and Competence sourcebook (TC)

In this Annex, underlining indicates new text.

**App**      **Appropriate Qualification tables**

**App 4.1**   **Appropriate Qualification tables**

...

Extent to which the qualification meets the qualification requirement in relation to non-RDR activities

...

App      E      Part 2: Appropriate Qualifications Tables  
4.1.1D

...

Qualification provider	Qualification	Activity Number(s)	Key
...			
Bournemouth University	BA in Financial Services (1995 to 2001)	4 and 6	b
	MA in Financial Services (1995 to 2001)		
	Post Graduate in Financial Services (1995 to 2001)		
Calibrand / Chartered Banker Institute (Formerly the Chartered Institute of Bankers in Scotland)	Diploma in Professional Financial Advice (Post 30/4/2014 <u>and Pre 01/03/2022</u> )	4 and 6	a
...			
Chartered Banker Institute	Diploma in Investment Planning (Existing)	4 and 6	a

(Formerly the Chartered Institute of Bankers in Scotland)	Adviser) (Post 2010 examination standards and Pre 1/6/2015)		
	...		
	Certificate in Mortgage Advice and Practice (MAPC) (Pre 16/09/2004) – Paper 1	21, 22	3
	Equity Release Mortgage Advice and Practice Certificate (ERMAPC)	23	4
		23	5
<u>Diploma in Professional Financial Advice (Post 28/02/2022)</u>	<u>4 and 6</u>	<u>a</u>	
Chartered Institute of Management Accountants	...		
...			



## Annex D

## Amendments to the Supervision manual (SUP)

In this Annex, striking through indicates deleted text.

**12 Appointed representatives**

...

**12.6 Continuing obligations of firms with appointed representatives or FCA registered tied agents**

...

Appointed representatives not to hold client money

12.6.5 R ...

(2) The *firm* must take reasonable steps to ensure that if *client money* is received by the *appointed representative*, it is paid into a *client bank account* of the *firm*, or forwarded to the *firm*, in accordance with:

- (a) ~~CASS 4.3.15 R to CASS 4.3.17 R; or [deleted]~~
- (b) CASS 5.5.18 R to CASS 5.5.21 R unless acting in accordance with CASS 5.5.23 R (Periodic segregation and reconciliation); or
- (c) ~~the MiFID client money segregation requirements; CASS 7.13.3R and CASS 7.13.12R.~~

12.6.5A G When complying with ~~the MiFID client money segregation requirements; CASS 7.13.3R and CASS 7.13.12R~~, *firms'* attention is drawn to CASS 7.13.34 R and CASS 7.13.35 G.

...

## Annex E

### Amendments to the Dispute Resolution: Complaints sourcebook (DISP)

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

## 2 Jurisdiction of the Financial Ombudsman Service

...

### 2.3 To which activities does the Compulsory Jurisdiction apply?

...

Activities by firms and unauthorised persons subject to a former scheme

#### 2.3.2 G The *Ombudsman* can also consider under the *Compulsory Jurisdiction*:

...

(2B) as a result of the *Funeral Plans Order*, a *relevant transitional funeral plan complaint* that relates to an act or omission by a *firm* or *unauthorised person* which was subject to a *former scheme* at the time of the act or omission;

~~provided that:~~ The *Ombudsman* may only consider a type of *complaint* referred to in (1) to (2B) if:

...

...

## Annex F

### Amendments to the Consumer Redress Schemes sourcebook (CONRED)

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

#### 4 British Steel Consumer Redress Scheme

...

#### 4.8 Consumer redress scheme: information requirements

...

##### Ongoing reporting requirements

4.8.2 R (1) By ~~1 month~~ 6 weeks after the scheme effective date, a *firm* must send the *FCA* an initial ‘progress report’ with the most up-to-date information held by the *firm* in the information categories in *CONRED* 4.8.3R as it stood at 1 month after the scheme effective date.

(2) A *firm* must submit a further progress report every 2 weeks with the most up-to date information as it stood 2 weeks prior, with the second progress report to be received by the *FCA* no later than 14 *days* after the date the initial report was provided to the *FCA* until the conditions in (3) apply.

...

#### 4 Annex Further information request (1): initial request

##### 4R

[*Editor’s note:* The letter(s) can be found at this address:  
[https://www.handbook.fca.org.uk/form\[xxx\].](https://www.handbook.fca.org.uk/form[xxx].)]

...

#### British Steel consumer redress scheme

**ACTION REQUIRED – We need some information from you to help us review the advice we gave you to transfer out of the British Steel Pension Scheme**

...

By returning the enclosed form, you consent to us collecting the information on your behalf. You can withdraw that consent at any time by contacting us by phone, email or post [using the same contact details-] [return envelope included].

...

**4 Annex Further information request (2): final reminder  
5R**

[*Editor's note:* The letter(s) can be found at this address:  
[https://www.handbook.fca.org.uk/form\[xxx\].](https://www.handbook.fca.org.uk/form[xxx].)]

...

**British Steel consumer redress scheme**

**FINAL REMINDER – We still need some information from you to help us review the advice we gave you to transfer out of the British Steel Pension Scheme**

...

*Please note you should delete this information box before you send this letter to the consumer. It is to help you prepare the letter.*

*Firms should only request the information set out in CONRED 4 Annex 16R 13.9R that is necessary to complete the case review.*

*When you request information from a consumer you should ~~have regard to Principles 6 and 7 and should:~~*

...

You do not need to use a claims management company as it will not affect our review and, if you do, they will charge you for the service. This may mean that you do not receive the full amount of money you may be entitled to.

...

**4 Annex Redress calculation, further information: initial request  
10R**

[*Editor's note:* The letter(s) can be found at this address:  
[https://www.handbook.fca.org.uk/form\[xxx\].](https://www.handbook.fca.org.uk/form[xxx].)]

**British Steel consumer redress scheme**

**ACTION REQUIRED – We need some information from you to calculate whether we owe you money**

...

**Do you think we owe you money for other losses?**

You should also tell us if you have suffered any other losses because of our unsuitable advice. These losses could include money you had to pay to get tax advice, or any tax charges you had to pay.

In all cases, any payment calculation will include the original fee charged for the unsuitable advice [*if consumer has already switched to a new adviser*],<sup>2</sup> the fees you paid to change your adviser; [*all letters*] and any other past advice fees paid out of your transferred pension.

...

#### 4 Annex 13R Redress determination: Result of redress calculation

[*Editor's note:* The letter(s) can be found at this address:  
[https://www.handbook.fca.org.uk/form\[xxx\].](https://www.handbook.fca.org.uk/form[xxx].)]

...

#### British Steel consumer redress scheme

#### **ACTION REQUIRED – Payment for unsuitable advice to transfer out of the British Steel Pension Scheme**

...

[If owed money]

The payment aims to put you back in the financial position you would have been in if you had been given suitable advice and stayed in the BSPS. ~~that the~~ The redress calculation assumes this payment will be invested for your retirement and paid directly into your current pension where possible.

...

#### FAQs

#### **1. What is redress for unsuitable DB pension transfer advice and what should I do with my payment?**

We must provide a payment if we gave you unsuitable advice to transfer out of your defined benefit (DB) or 'final salary' pension scheme and you have lost out as a result. The payment aims to put you back in the financial position you would have been in if we had given you suitable advice and you had stayed in your DB scheme. The payment is calculated as the top-up you need in a personal pension scheme.

~~You should invest the payment in a personal pension — usually the one that you moved your DB pension funds into when you transferred out.~~ The aim is that the topped-up pension grows to an amount that allows you to buy an annuity which provides a guaranteed income when you retire. The aim is that this income will be similar to what you would have received from your original DB scheme on retirement. So, you should consider investing the payment in a personal pension.

...

**4 Annex Request for detailed calculation report  
14R**

*[Editor's note: The letter(s) can be found at this address:  
[https://www.handbook.fca.org.uk/form\[xxx\].](https://www.handbook.fca.org.uk/form[xxx].)]*

...

**British Steel consumer redress scheme**

**Detailed calculation report**

...

[All letters]

If you are not happy with the amount we are offering about, you can contact the Financial Ombudsman Service or the FCA helpline.

If you have any questions about the offer or this letter, you can phone or email us [*insert contact details*]. We are available between [*insert contact hours*].

...

#### 4 Annex Payment confirmation 15R

[*Editor's note:* The letter(s) can be found at this address:  
[https://www.handbook.fca.org.uk/form\[xxx\].](https://www.handbook.fca.org.uk/form[xxx].)]

...

#### British Steel consumer redress scheme

##### Payment for unsuitable advice to transfer out of the British Steel Pension Scheme

[*If the money is augmentation or part augmentation*]

[*Select as applicable*] We have arranged to pay £[*insert amount*] into your current pension / We have enclosed a cheque for £[*insert amount*] / We have paid £[*insert amount*] into your bank account using the details you provided. [*If applicable: You should contact your current pension provider or financial adviser and arrange to pay this amount into your current pension.*]

[*Full augmentation only*]

**This amount is broken down as follows:**

- £[*insert amount*] payment amount
- Your pension provider will claim £[*insert amount*] tax relief from HMRC, which means the total amount that will be added to your pension is £[*insert amount*]
- £[*insert amount*] added

...



**4 Annex Final reminder to accept offer  
16R**

*[Editor's note: The letter(s) can be found at this address:  
[https://www.handbook.fca.org.uk/form\[xxx\].](https://www.handbook.fca.org.uk/form[xxx].)]*

...

**British Steel consumer redress scheme**

**FINAL REMINDER – Payment for unsuitable advice to transfer out of the British Steel Pension Scheme**

...

We owe you money

...

*[All letters]*

If you would like to accept our offer, you must sign and return the attached 'Settlement Form' by *[insert date of initial offer]*.

...

...

**4 Annex BSPS DBAAT and BSPS Redress Calculator Instructions**  
**21**

**1 Introduction**

...

**13 Redress Calculation BSPS calculator instructions**

...

13.30 R A *firm* must input the following information into the BSPS calculator to carry out the redress calculation:

(1) ...

...

(3) Where the comparator scheme is the BSPS2, data relating to the *consumer's* former benefit entitlement in the ~~BSPS2~~ BSPS, including:

(a) ...

...

**Schedule Notification requirements**  
**2**

...

Sch 2.2 G

Handbook reference	Matters to be notified	Contents of notification		Time allowed
<i>CONRED</i> 4.8.2R(1) and (2) and <i>CONRED</i> 4.8.3R	Information about each case the <i>firm</i> has taken scheme steps for	(1)	<i>consumer</i> identifier;	By <del>1 month</del> <u>6 weeks</u> after the scheme effective date and then every 2 weeks
...				