

STOP PRESS



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In this issue:

- **Launch of enhanced Financial Services Register**
- **Extension of SM&CR implementation periods**
- **Statement on updated guidance for insurance and premium finance firms**
- **FCA regulated fees and levies 2020/21**
- **FCA reaches further with the Financial Resilience Survey**
- **Lloyd's fast-track proposals for societal and economic COVID-19 recovery**
- **ABI Coronavirus Information Hub**
- **FCA Business Interruption test case under way**
- **Moving from Gabriel to RegData reporting**
- **Consultation on complaints against the regulators**

Launch of enhanced Financial Services Register – FCA 27 July 2020

The existing Financial Services Register has been replaced with an enhanced Financial Services Register from Monday 27 July. The enhanced Register includes improvements the regulator has made in response to user feedback, intended to make it easier to find and understand information on the Register and provide more details. All current links will be redirected to the enhanced Register's homepage. Firms will need to update any links they have to pages on the current Register, other than those to the homepage.

FCA webpage: <https://www.fca.org.uk/news/news-stories/fca-launch-enhanced-financial-services-register>

Extension of SM&CR implementation periods – FCA 17 July 2020

The deadline for solo-regulated firms to have completed the first 'fit and proper' assessment of any Certified Persons has been delayed from 9 December 2020 until 31 March 2021. The Treasury has agreed to delay this deadline to give firms significantly affected by the coronavirus pandemic time to make the changes they need.

To ensure SM&CR deadlines remain consistent, and to give extra time for firms that need it, the FCA is consulting on extending the deadline for the following requirements from 9 December 2020 to 31 March 2021:

- the date the Conduct Rules come into force
- the deadline for submitting information about Directory Persons to the Register

If firms are able to certify staff and submit information about Directory Persons to the FS Register earlier than March 2021 they should do so and details of certified employees of solo firms will be published on the FS register starting from 9 December 2020. The FCA expects that this published information will be of immediate benefit to consumers and firms.

CP20/10: *Extending implementation deadlines for the Certification Regime and Conduct Rules:*
<https://www.fca.org.uk/publication/consultation/cp20-10.pdf>

Statement on updated guidance for insurance and premium finance firms – FCA 24 July 2020

The FCA is proposing to extend the series of temporary measures to help customers who hold insurance and premium finance products and who may be in temporary financial difficulties due to Covid-19. The original measures came into force on 18 May 2020 and the FCA advised it would review them after 3 months, with the regulator now proposing to extend the guidance until 31 October 2020.

Firms are required to consider what options they can offer customers who are suffering temporary financial difficulty including payment deferrals, premium reductions due to changes in risk profile or offering an

alternative product which would better meet the customer's needs, as well as waiving fees associated with altering cover.

Coronavirus and customers in temporary financial difficulty: draft updated guidance for insurance and premium finance firms: <https://www.fca.org.uk/publications/guidance-consultations/coronavirus-customers-temporary-financial-difficulty-draft-updated-guidance-insurance>

FCA regulated fees and levies 2020/21 – FCA 2 July 2020

The FCA has published a Policy Statement confirming the 2020/21 periodic fees and levies. As well as FCA fees, this covers the FOS and Money and Pensions Service Levy and Treasury expenses for tackling money laundering.

The FCA Annual Funding Requirement is £589.9m, an increase of 5.6% over 2019/20. General insurance mediation (class A19) accounts for £30m of the AFR - an increase of 3.5% over last year. The corresponding A19 fee rate increases from £1.668 to £1.693 per £1,000 of income. Firms can enter their data on a new FCA Fees Calculator to check how much they will be paying.

Given the impact of coronavirus, the FCA has sought to protect the smallest firms by freezing the minimum fees. This means that the 71% of firms that are small enough to only pay minimum fees will see no change in the fees they pay. Furthermore, the regulator is helping medium and smaller firms, by extending the period for paying their fees by two months to 90 days. Most firms will have until the end of 2020 to pay their fees and levies. Medium and smaller firms are classed for this purpose as firms who pay a total fees and levies in 2020/21 of less than £10,000.

PS20/7: <https://www.fca.org.uk/publication/policy/ps20-07.pdf>

Fee calculator for 2020/2021: <https://www.fca.org.uk/firms/calculate-your-annual-fee/fee-calculator>

FCA reaches further with the Financial Resilience Survey – BIBA 23 July 2020

The FCA is extending its survey of firms to determine their financial resilience and assess the impact of the Coronavirus (Covid-19) pandemic on their business activities. The regulator will be sending out their questionnaire to an additional 10,000 firms having already surveyed 13,000 firms in June 2020.

The survey comprises ten questions, which are broadly unchanged from the June survey and should be completed online. The FCA says the survey should take no longer than an hour to complete. Among the questions, the FCA is seeking information about the amount of liquidity available, cash needs and expected inflows over the next three months, the impact of Covid on the firm's business model and whether the firm has accessed any government-backed schemes.

The survey will then be sent out in four tranches on the 5th, 6th, 7th and 10th August. Firms should note that completion of the survey is compulsory.

Lloyd's fast-track proposals for societal and economic COVID-19 recovery – Lloyd's Press Release July 2020

As the COVID-19 pandemic continues to devastate economies and communities, there remains an urgent need to protect society as it recovers and prepares for an uncertain future. To address the many complex challenges ahead, a new Report developed in conjunction with Lloyd's UK and Global Advisory Groups sets out three proposed 'open source' frameworks that are freely available for application around the world, two of which require government and (re)insurance industry partnerships.

ReStart is focused on giving certainty of non-damage business interruption coverage initially to UK SMEs by pooling limited capacity across a number of Lloyd's market participants.

Recover Re sets out a proposed 'after the event' insurance product framework, that could provide immediate relief and cover for non-damage business interruption over the long-term, including the current COVID-19 pandemic.

Black Swan Re is a reinsurance framework for government and industry partnership that could better protect customers from the devastating and long-term impacts of systemic catastrophic events – from another pandemic, or global supply chain disruption, to the interruption of critical infrastructure or utilities.

If implemented, these three frameworks could provide customer protection for further waves of COVID-19 and other future pandemics, as well as strengthening societal resilience against future systemic catastrophic events.

Lloyd's press release: <https://www.lloyds.com/news-and-risk-insight/press-releases/2020/07/lloyds-presents-solutions-for-global-industry-and-government-partnerships>

ABI Coronavirus Information Hub – ABI July 2020

The ABI has provided public webpages with information relating to COVID-19, including advice, guidance, and common questions relating to insurance and long-term savings products. It helps to explain what insurers are doing to help customers, communities and charities.

ABI members have made a series of industry-wide commitments on home, motor and travel insurance and protection to help and support customers across the UK, and firms continue to adapt to meet the needs of customers and follow guidance from the Government and regulators.

ABI Covid-19 information hub: <https://www.abi.org.uk/products-and-issues/topics-and-issues/coronavirus-hub/>

FCA Business Interruption test case under way – FCA 23 July 2020

The FCA is seeking court declarations as part of a test case, aimed at resolving the contractual uncertainty around the validity of many BI claims following the coronavirus pandemic. The case started on 20th July in the High Court and taking place over eight days, running from Monday 20th-23rd July 2020 and Monday 27th - 30th July. The FCA case involves 60 insurers and many different types of insurance policy wordings and an estimated 370,000 policyholders. A list of issues and common ground, summarising what is and what is not in dispute along with documents, timetables and published arguments from the case are available on the FCA website: <https://www.fca.org.uk/firms/business-interruption-insurance>

Moving from Gabriel to RegData reporting – FCA July 2020

Following an overhaul of the FCA's regulatory reporting system, all 52,000 firms that provide regular regulatory submissions in Gabriel will need to use RegData in the future. The process of moving over to RegData is happening in stages. The FCA will communicate with firms directly and in good time to let them know when they are moving to RegData. In the meantime, firms are reminded to:

- update contact details in Gabriel
- ensure the correct principal user and assigned administrator rights are noted in Gabriel
- maintain accurate information in Gabriel about all other active users – with any non-active users disabled

Firms can continue to use Gabriel as normal, using their existing Gabriel login details but, if not yet registered for RegData, they should complete a one-off registration process the next time they log into Gabriel.

FCA RegData Platform - <https://www.fca.org.uk/firms/regdata>

Consultation on complaints against the regulators – FCA 20 July 2020

The FCA, Prudential Regulation Authority and the Bank of England have launched a joint consultation on the Financial Regulators' Complaints Scheme. The consultation will ask how the scheme's language can be improved to make it more accessible to consumers. It also clarifies the policy on making ex-gratia compensatory payments. The consultation will open immediately for a period of 8 weeks, closing on Monday 14 September. The FCA has separately issued its response to the Annual Report of the Office of the Complaints Commissioner.

CP20/11 Complaints against the Regulators: <https://www.fca.org.uk/publication/consultation/cp20-11.pdf>

This information is a summary of matters which will affect the majority of firms involved in insurance distribution. However, each firm's requirements are individual and it is important that you always seek specific advice from ICS before acting on anything contained in this publication (SP 2020-07 ... Issued 28/07/2020).
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