

Financial Services and Markets Bill

AMENDMENTS TO BE MOVED ON REPORT

After Clause 26

BARONESS CHAPMAN OF DARLINGTON

Insert the following new Clause—

“FCA to have regard to financial inclusion within consumer protection objective

- (1) FSMA 2000 is amended as follows.
- (2) In section 1C (the consumer protection objective), after subsection (2)(c) insert—
 - “(ca) financial inclusion;”.

After Clause 37

BARONESS CHAPMAN OF DARLINGTON

Insert the following new Clause—

“Consumer Panel duty to report to Parliament

- (1) FSMA 2000 is amended as follows.
- (2) In section 1Q (the Consumer Panel), at end insert—
 - “(7) The Consumer Panel must lay an annual report before each House of Parliament evaluating the FCA’s fulfilment of its statutory duty to protect consumers, including comments on—
 - (a) the adequacy and appropriateness of the FCA’s use of its regulatory powers,
 - (b) the measures the FCA has taken to protect vulnerable consumers, including pensioners, people with disabilities, and people receiving forms of income support, and
 - (c) the FCA’s receptiveness to the recommendations of the Consumer Panel.”

Member’s explanatory statement

This new Clause would introduce a further level of Parliamentary scrutiny of the work of the FCA to protect consumers by requiring the Financial Services Consumer Panel to lay an annual report before Parliament outlining its views on the FCA’s fulfilment of its statutory duty to protect consumers.

After Clause 71

BARONESS CHAPMAN OF DARLINGTON

Insert the following new Clause –

“Defined contribution and defined benefit pension funds investment review

- (1) The Treasury must publish a review of how to incentivise defined contribution (DC) and defined benefit (DB) pension funds to invest in high-growth firms and a diverse range of long-term assets in the United Kingdom, which must include green infrastructure.
- (2) The review must consider how best to do this while protecting the safeness and soundness of pension funds.
- (3) In carrying out the review, the Treasury must consult –
 - (a) the Department for Work and Pensions,
 - (b) the Department for Business and Trade,
 - (c) the Pensions Regulator,
 - (d) the FCA,
 - (e) the PRA,
 - (f) pension trustees, and
 - (g) relevant financial services stakeholders.
- (4) The review must consider the merits of –
 - (a) amending the definition of “specified scheme” within the meaning of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (S.I. 1996/1715) so as to increase the threshold of such DC schemes in respect of which trustees and managers are required to produce a value for members assessment under regulation 25 of those Regulations;
 - (b) adjusting the terms of reference for DB Local Government Pension Schemes (LGPS) funds to consider regional development as an investment factor;
 - (c) establishing frameworks to enable DB pension funds to invest in firms and infrastructure alongside the British Business Bank.
- (5) The Treasury must prepare a report on the outcome of the review, and lay it before Parliament within one year of the passing of this Act.”

Member’s explanatory statement

This amendment would compel the Treasury to publish a review within a year of Royal Assent on how to incentivise pension fund schemes to invest in high-growth firms and green infrastructure. The review would have to consider requiring DC schemes to assess the merits of: consolidation, establishing frameworks for British Business Bank investments (so that DB pension schemes will be able to invest alongside them), and adjusting the terms of reference for Local Government Pension Schemes (so they consider regional development as an investment factor).

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11 May 2023
