

DEFERRED PAYMENT CREDIT INSTRUMENT 2026

Powers exercised by the Financial Ombudsman Service Limited

- A. The Financial Ombudsman Service Limited (“Financial Ombudsman Service”) makes and amends the rules and guidance for the Voluntary Jurisdiction, and fixes and varies the standard terms for Voluntary Jurisdiction participants, as set out in Annex E to this instrument, and incorporates the changes to the Glossary as set out in Annex A to this instrument, in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 227 (Voluntary jurisdiction);
 - (2) paragraph 8 (Information, advice and guidance) of Schedule 17 (The Ombudsman Scheme);
 - (3) paragraph 18 (Terms of reference to the scheme) of Schedule 17; and
 - (4) paragraph 20 (Voluntary jurisdiction rules: procedure) of Schedule 17.
- B. The making and amendment of the Voluntary Jurisdiction rules and guidance, and the fixing and varying of standard terms for Voluntary Jurisdiction participants by the Financial Ombudsman Service, as set out at paragraph A above, is subject to the consent and approval of the Financial Conduct Authority (“FCA”).

Powers exercised by the FCA

- C. The FCA makes this instrument in the exercise of:
- (1) the following powers and related provisions in the Act:
 - (a) section 59 (Approval for particular arrangements);
 - (b) section 59AB(1) (Specifying functions as controlled functions: transitional provision);
 - (c) section 60 (Applications for approval);
 - (d) section 60A (Vetting of candidates by relevant authorised persons);
 - (e) section 61 (Determination of applications);
 - (f) section 62A (Changes in responsibilities of senior managers);
 - (g) section 63ZA (Variation of senior manager’s approval at request of relevant authorised person);
 - (h) section 63ZD (Statement of policy relating to conditional approval and variation);
 - (i) section 63C (Statement of policy);
 - (j) section 63E (Certification of employees by authorised persons);
 - (k) section 63F (Issuing of certificates);
 - (l) section 64A (Rules of conduct);
 - (m) section 64C (Requirement for authorised persons to notify regulator of disciplinary action);
 - (n) section 69 (Statement of policy);
 - (o) section 137A (The FCA’s general rules);
 - (p) section 137T (General supplementary powers);
 - (q) section 138D (Actions for damages);

- (r) section 139A (Power of the FCA to give guidance);
 - (s) section 226 (Compulsory jurisdiction);
 - (t) section 347 (The record of authorised persons etc.);
 - (u) section 395 (The FCA’s and PRA’s procedures); and
 - (v) paragraph 13 (FCA’s rules) of Schedule 17 (The Ombudsman Scheme); and
- (2) the other powers and related provisions listed in Schedule 4 (Powers exercised) to the General Provisions of the Handbook.
- D. The rule-making powers listed above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

Consent and approval by the FCA

- E. The FCA approves the making and amendment of the Voluntary Jurisdiction rules and guidance, and the fixing and varying of the standard terms for Voluntary Jurisdiction participants by the Financial Ombudsman Service, as set out in paragraph A above.

Commencement

- F. Part 1 of Annex A comes into force on 1 April 2026.
- G. Part 2 of Annex E comes into force on 31 December 2026.
- H. All other parts of this instrument come into force on 15 July 2026.

Amendments to the FCA Handbook

- I. The modules of the FCA’s Handbook of rules and guidance listed in column (1) below are amended in accordance with the Annexes to this instrument listed in column (2).

(1)	(2)
Glossary of definitions	Annex A
Senior Management Arrangements, Systems and Controls sourcebook (SYSC)	Annex B
General Provisions (GEN)	Annex C
Supervision manual (SUP)	Annex D
Dispute Resolution: Complaints sourcebook (DISP)	Annex E
Consumer Credit sourcebook (CONC)	Annex F

Amendments to material outside the Handbook

- J. The Perimeter Guidance manual (PERG) is amended in accordance with Annex G to this instrument. The general guidance in PERG does not form part of the Handbook.

Notes

- K. In the Annexes to this instrument, the notes (indicated by “**Note:**” or “*Editor’s note:*”) are included for the convenience of readers but do not form part of the legislative text.

Citation

- L. This instrument may be cited as the Deferred Payment Credit Instrument 2026.

By order of the Board of the Financial Ombudsman Service Limited
26 January 2026

By order of the Board of the Financial Conduct Authority
29 January 2026

Annex A

Amendments to the Glossary of definitions

Part 1: Comes into force on 1 April 2026

Insert the following new definitions in the appropriate alphabetical position. The text is not underlined.

deferred payment credit activity the carrying on of *deferred payment credit lending* (or *agreeing to carry on a regulated activity* so far as it relates to the carrying on of *deferred payment credit lending*).

deferred payment credit lending *consumer credit lending* undertaken in relation to a *regulated deferred payment credit agreement*.

Deferred Payment Credit Order the Financial Services and Markets Act 2000 (Regulated Activities etc.) (Amendment) Order 2025 (SI 2025/859).

deferred payment credit temporary permission in accordance with articles 10 and 11 of the *Deferred Payment Credit Order*, a temporary *permission* to carry on *deferred payment credit activity* which, subject to articles 10 and 11 of that Order, has effect as a *Part 4A permission*.

regulated deferred payment credit agreement has the meaning given by section 189 of the *CCA* and article 36FB of the *Regulated Activities Order* – that is, an agreement:

- (a) which meets each of the conditions set out in article 60F(2)(a) to (d) (exempt agreements: exemptions relating to number of repayments to be made) of the *Regulated Activities Order*; and
- (b) to which article 60F(7A) of the *Regulated Activities Order* applies.

Part 2: Comes into force on 15 July 2026

Insert the following new definition in the appropriate alphabetical position. The text is not underlined.

deferred payment credit regulatory commencement date 15 July 2026, being the ‘regulatory commencement date’ for the purposes of the *Deferred Payment Credit Order*, as defined in article 1(3) of that Order.

Annex B

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

Insert the following new transitional provisions, SYSC TP 13, after SYSC TP 12 (Updates to the dual-regulated firms Remuneration Code transitional provision). All the text is new and is not underlined.

TP 13 SMCR: application to firms with deferred payment credit temporary permission

Application

TP 13.1 R *SYSC TP 13 applies to a firm with a deferred payment credit temporary permission.*

[**Note:** articles 10 and 11 of the *Deferred Payment Credit Order*.]

TP 13.2 G Once a firm no longer has a *deferred payment credit temporary permission* because it has ceased to have effect in accordance with article 10(3) of the *Deferred Payment Credit Order*, *SYSC TP 13* will cease to apply to that firm.

Firms with only a deferred payment credit temporary permission

TP 13.3 R In circumstances where the only *regulated activities* in a firm's permission are *deferred payment credit activities* permitted by a *deferred payment credit temporary permission*, a firm is not an *SMCR firm* (and is included in Part Three of *SYSC 23 Annex 1* (Definition of exempt firm)).

Firms whose Part 4A permission comprises permission granted by the FCA and deferred payment credit temporary permission

- TP 13.4 R
- (1) This rule applies where a firm's permission comprises permission to carry on *regulated activities* granted by the FCA under Part 4A of the Act and a *deferred payment credit temporary permission*.
 - (2) The firm's *deferred payment credit temporary permission* is to be disregarded for the purposes of categorising what type of *SMCR firm* the firm is in accordance with *SYSC 23 Annex 1* (Definition of *SMCR firm* and different types of *SMCR firms*).
 - (3) For the purposes of those elements of the senior managers and certification regime that are implemented through the provisions of the *FCA Handbook* described in *SYSC 23.3.3G*:
 - (a) where the application of a provision is determined in whole or in part by reference to the firm's permission, the firm's *deferred payment credit temporary permission* is to be

disregarded for the purpose of determining the application of the provision; and

- (b) where the application of a provision is determined in whole or in part by reference to *regulated activities* carried on by the *firm*, any *deferred payment credit activity* which that *firm's deferred payment credit temporary permission* permits it to carry on is to be treated as if it were not a *regulated activity* for the purposes of determining the application of the provision.

TP 13.5 G An overview of the senior managers and certification regime and where to find the main *FCA Handbook* provisions can be found in SYSC 23.3.

Annex C

Amendments to the General Provisions (GEN)

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

2 Interpreting the Handbook

...

2.3 General saving of the Handbook for Gibraltar

Continued application of the Handbook with respect to Gibraltar

2.3.1 R ...

(4) ...

(5) A Gibraltar-based firm carrying on deferred payment credit activity must comply with the relevant Handbook provisions relating to deferred payment credit activity.

...

4 Statutory status disclosure

...

4.2 Purpose

...

4.2.2 G There are other pre-contract information requirements outside this chapter, including:

...

(8) for regulated credit agreements, apart from regulated deferred payment credit agreements, the pre-contract information requirements in the Consumer Credit (Disclosure of Information) Regulations 2010 (SI 2010/1013) and in the Consumer Credit (Disclosure of Information) Regulations 2004 (SI 2004/1481); ~~and~~

(8A) for regulated deferred payment credit agreements, the product information requirements in *CONC 4.2A*; and

...

Annex D

Amendments to the Supervision manual (SUP)

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

16 Annex 21 Reporting Fields

...

2 SPECIFIC REPORTING FIELDS

...

(f) Relevant *regulated credit agreements*

...

Reference	Data reporting field	Code (where applicable)	Notes
Origination data elements			
...			
...			
44A	Is the agreement a BNPL agreement?	Y = Yes N = No	Whether the <i>regulated credit agreement</i> meets the criteria of a <i>BNPL agreement</i> . <u>If the <i>regulated credit agreement</i> is a <i>regulated deferred payment credit agreement</i>, it does not meet the criteria of a</u>

			<u>BNPL agreement and must be recorded as N = No.</u>
...			
51A	Does the agreement meet the criteria of one of these agreement types as defined in the FCA Handbook?	<p>A = High-cost short-term credit</p> <p>B = Home credit loan agreement</p> <p>C = RTO agreement</p> <p>D = BNPL agreement</p> <p>X = None of these FCA Handbook definitions</p> <p>Z = Unknown</p>	<p>Enter the relevant code:</p> <p>...</p> <p>D: BNPL agreement</p> <p><i>A regulated credit agreement which meets the criteria of a BNPL agreement.</i></p> <p><u>If the regulated credit agreement is a regulated deferred payment credit agreement, it does not meet the criteria of a BNPL agreement.</u></p> <p>...</p>
52A	End date of promotional period for BNPL credit	DD/MM/YYYY	<p>The end date of the promotional period for the <i>BNPL credit</i>.</p> <p><u>Credit provided under a</u></p>

			<i>regulated deferred payment credit agreement does not meet the criteria of BNPL credit.</i>
...			
Performance data			
...			
Reference	Data reporting field	Code (where applicable)	Notes
...			
Agreement characteristics data elements			
...			
...			
24A	Is the agreement one of the following types?	<p>A = Pawn agreement</p> <p>B = Personal contract purchase agreement for a motor vehicle</p> <p>C = Hire-purchase agreement (other than a personal contract purchase agreement for a motor vehicle) or conditional sale</p> <p>D = Green deal plan</p> <p>E = BNPL agreement</p> <p>X = None of these</p> <p>Z = Unknown</p>	<p>Enter the relevant code:</p> <p>...</p> <p>E: BNPL agreement</p> <p><i>A regulated credit agreement which meets the criteria of a BNPL agreement.</i></p> <p><i>If the regulated credit agreement is a regulated deferred payment</i></p>

			<u>credit agreement, it does not meet the criteria of a BNPL agreement.</u> ...
...			
Drawdown type repeatable data elements ...			
Start of drawdown type repeatable data elements			
81A	RA Drawdown type	A1 = Purchases treated as BNPL A2 = Purchases treated as instalment plans A3 = All other purchases B = Balance transfers C = Money transfers D = Other cash transactions W = Other drawdown type	<u>The reporting firm should not include data in relation to a regulated deferred payment credit agreement as credit provided under a regulated deferred payment credit agreement does not meet the criteria of running-account credit.</u> Enter the relevant code: ...
...			

Scheduled repayment period data elements			
...			
...			
Start of scheduled repayment period repeatable data elements			
...			
114A	FS BNPL payment condition in effect	Y = Yes N = No	Whether the <i>BNPL credit</i> promotional period is in effect as on the scheduled <i>repayment date</i> . <u>Credit provided under a regulated deferred payment credit agreement does not meet the criteria of BNPL credit.</u> ...
...			
Back-book data			
...			
Reference	Data reporting field	Code (where applicable)	Notes
...			
16A	Does the agreement meet the criteria of one of these agreement types as	A = High-cost short-term credit B = Home credit loan agreement	Enter the relevant code: ...

	defined in the FCA Handbook?	C = RTO agreement D = BNPL agreement X = None of these FCA Handbook definitions Z = Unknown	D: BNPL agreement <i>A regulated credit agreement which meets the criteria of a BNPL agreement.</i> <u>If the regulated credit agreement is a regulated deferred payment credit agreement, it does not meet the criteria of a BNPL agreement.</u> ...
...			

...

Insert the following new transitional provisions, SUP TP 1.9A, after SUP TP 1.9 (Credit-related regulated activities). All the text is new and is not underlined.

TP 1.9A Deferred payment credit activities

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
1	SUP TP 1.9A 1R to SUP TP 1.9A 10G	R	In these transitional provisions: (1) 'threshold DPC firm' means a <i>firm</i> that	From 15 July 2026	15 July 2026

			<p>previously held a <i>deferred payment credit temporary permission</i> and has provided an attestation in accordance with <i>SUP TP 1.9A 3R</i> that it has an annual total value of £2,000,000 or more outstanding for <i>regulated deferred payment credit agreements</i> or an annual total value of £2,000,000 or more of new advances for <i>regulated deferred payment credit agreements</i>; and</p> <p>(2) references to a <i>firm</i> becoming ‘fully authorised’ are references to a <i>firm</i> that previously held a <i>deferred payment credit temporary permission</i> which has ceased to have effect under article 10(3)(a) or (b) of the <i>Deferred Payment Credit Order</i> (the <i>firm</i>’s application for <i>permission</i> or for a variation of <i>permission</i> to carry on <i>deferred payment credit activity</i> has been granted etc by the <i>FCA</i>).</p>		
2	<p><i>SUP 16.11.3R, SUP 16.11.5R, SUP 16.11.5AR, SUP 16.11.5BR, SUP 16.11.7R, SUP 16 Annex 20G Table 6 and SUP 16 Annex 21R</i> (sales data report, performance data report and back-book data report for</p>	R	<p>(1) This transitional provision applies where a <i>firm</i> is required to report sales, performance and back-book data on relevant <i>regulated credit agreements</i> in accordance with <i>SUP 16.11.3R</i>.</p> <p>(2) A <i>regulated deferred payment credit agreement</i> is not a</p>	From 15 July 2026	15 July 2026

	relevant regulated credit agreements)		relevant <i>regulated credit agreement</i> if it was executed, or the legal ownership of the lender's rights and duties under the agreement was assigned to the <i>firm</i> , within the period commencing on 15 July 2026 and ending on 31 March 2027.		
3		R	<p>(1) This transitional provision applies where a <i>firm's deferred payment credit temporary permission</i> has ceased to have effect because the <i>firm</i> has become fully authorised.</p> <p>(2) Within 20 <i>business days</i> of the <i>firm's deferred payment credit temporary permission</i> ceasing to have effect, the <i>firm</i> must provide, in an email submitted to deferredpaymentcredit@fca.org.uk, an attestation to confirm whether or not it has:</p> <p>(a) an annual total value of £2,000,000 or more outstanding for <i>regulated deferred payment credit agreements</i>; or</p> <p>(b) an annual total value of £2,000,000 or more of new advances for <i>regulated deferred payment credit agreements</i>.</p>	From 15 July 2026	15 July 2026
4	SUP TP 1.9A 3R	R	(1) The attestation to be made in accordance with SUP TP 1.9A 3R must	From 15 July 2026	15 July 2026

			<p>be made in respect of the annual period ending on the date on which the <i>firm</i> becomes fully authorised.</p> <p>(2) Where a <i>firm</i> has been undertaking <i>deferred payment credit lending</i> for a period of less than 12 <i>months</i>, the <i>firm</i> must, for the purposes of that attestation, annualise the total value of new advances for <i>regulated deferred payment credit agreements</i> (ie, make it representative for a full year's activity).</p>		
5	<i>SUP</i> 16.11, <i>SUP</i> 16 Annex 20G Table 6 and <i>SUP</i> 16 Annex 21R	R	<i>SUP</i> 16.11 applies to a threshold DPC firm in relation to sales, performance and back-book data reports and will continue to apply regardless of the annual total value reported for relevant <i>regulated credit agreements</i> in subsequent reporting periods.	From 15 July 2026	15 July 2026
6	<i>SUP</i> 16.11.3R and <i>SUP</i> 16.11.5BR	R	In relation to a threshold DPC firm, the first reporting period to which the requirement in <i>SUP</i> 16.11.3R applies is the fifth calendar quarter following the quarter in which the <i>firm</i> becomes fully authorised.	From 15 July 2026	15 July 2026
7	<i>SUP</i> 16.11.3R(2A)	R	Where, after having reported in accordance with <i>SUP</i> 16.12.29CR, a threshold DPC firm meets the conditions for classification as a <i>threshold 1 category B</i>	From 15 July 2026	15 July 2026

			<p><i>firm</i> or a <i>threshold 2 category B firm</i>, the <i>firm</i> is to be treated as a <i>threshold 1 category B firm</i> or a <i>threshold 2 category B firm</i>, as relevant, and:</p> <p>(1) the <i>firm</i> must continue to submit sales data reports and performance data reports subject to the reporting frequencies and periods referred to in <i>SUP</i> 16.11.3R(1) and (2); and</p> <p>(2) the <i>firm's</i> first data reports submitted in accordance with <i>SUP</i> TP 1.9A 6R are to be treated as its data reports in respect of its first reporting period as a <i>threshold 1 category B firm</i> or a <i>threshold 2 category B firm</i>, as relevant.</p>		
8	<i>SUP</i> 16.11.5BR (back-book data reports)	R	A threshold DPC firm that has provided a back-book data report is not required to provide an additional back-book data report once it becomes a <i>threshold 1 category B firm</i> or a <i>threshold 2 category B firm</i> .	From 15 July 2026	15 July 2026
9	<i>SUP</i> TP 1.9A 7R and <i>SUP</i> TP 1.9A 8R	G	The effect of <i>SUP</i> TP 1.9A 7R and <i>SUP</i> TP 1.9A 8R is that there are no overlapping reporting requirements under <i>SUP</i> 16.11.3R for a threshold DPC firm which subsequently becomes a <i>threshold 1 category B firm</i> or a <i>threshold 2 category B firm</i> .	From 15 July 2026	15 July 2026

10	SUP 16.12	G	<p>(1) <i>Firms</i> are reminded that <i>CONC</i> 16.1.5R provides that <i>SUP</i> 16 does not apply:</p> <ul style="list-style-type: none"> (a) to a <i>firm</i> with only a <i>deferred payment credit temporary permission</i>; or (b) to any other <i>firm</i>, with respect to: <ul style="list-style-type: none"> (i) the <i>firm's deferred payment credit temporary permission</i>; and (ii) the carrying on of <i>deferred payment credit activity</i> for which it has <i>deferred payment credit temporary permission</i>. <p>(2) Where a <i>firm</i> has become fully authorised, the reporting frequencies and submission deadlines for the <i>data items</i> in <i>SUP</i> 16.12.29CR are calculated by reference to the <i>firm's accounting reference date</i> (unless otherwise stated) that follows the date on which the <i>firm</i> becomes fully authorised. Therefore, threshold DPC firms must submit the applicable <i>data items</i> referred to in <i>SUP</i> 16.12.29CR by reference to their <i>accounting reference date</i> (unless otherwise stated) and the data reports required by <i>SUP</i> 16.11.3R by reference to the calendar quarter in which they became fully authorised.</p>	From 15 July 2026	15 July 2026
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Annex E

Amendments to the Dispute Resolution: Complaints sourcebook (DISP)

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

Part 1: Comes into force on 15 July 2026

1 Treating complainants fairly

...

1 Annex 1R Complaints return form

Complaints return form

This annex consists only of one or more forms. Forms are to be found through the following address:

[*Editor's note:* insert link to form]

Complaints Return (DISP 1 Ann 1R)

...

PART B

		A	B	C	D	E
	Activities	Total complaints outstanding at reporting period start date	Complaints received	Complaints closed	Complaints upheld by firm	Total redress paid £

	Lending					
...						
40	High-cost short-term credit					
<u>40A</u>	<u>Deferred payment credit</u>					
...						

...

Part 2: Comes into force on 31 December 2026

[*Editor's note:* This Part takes into account the changes introduced by the Complaints Reporting Instrument 2025 (FCA 2025/53). That instrument deletes and replaces DISP 1 Annex 1 in its entirety from its entry into force on 31 December 2026.]

1 Annex Complaints return form

1

...

CCR return information as referred to at DISP 1.10.1IR

...

1 Annex R 'Service provided' includes any of the following:
1.9

...

(4) *rent-to-own agreements;*

(4A) *regulated deferred payment credit agreements;*

...

...

...

Part 3: Comes into force on 15 July 2026

[*Editor's note:* This Part takes into account the changes proposed by the Advice Guidance Boundary Review (Targeted Support) Instrument 2026, which, if made, are expected to come into force on 6 April 2026.]

2 Jurisdiction of the Financial Ombudsman Service

...

2.5 To which activities does the Voluntary Jurisdiction apply?

2.5.1 R The *Ombudsman* can consider a *complaint* under the *Voluntary Jurisdiction* if:

...

(2) it relates to an act or omission by a *VJ participant* in carrying on one or more of the following activities:

(a) an activity (other than *auction regulation bidding, administering a benchmark, meeting of repayment claims, managing dormant asset funds (including the investment of such funds), regulated pensions dashboard activity, operating an electronic system for public offers of relevant securities and, providing targeted support and deferred payment credit activity*) carried on after 28 April 1988 which:

...

...

(c) activities, other than *regulated claims management activities, activities ancillary to regulated claims management activities, meeting of repayment claims, managing dormant asset funds (including the investment of such funds), regulated pensions dashboard activity, operating an electronic system for public offers of relevant securities and, providing targeted support and deferred payment credit activity*, which (at ~~6 April 2026~~ 15 July 2026) would be covered by the *Compulsory Jurisdiction*, if they were carried on from an establishment in the *United Kingdom* (these activities are listed in *DISP 2 Annex 1G*);

...

...

2 Annex 1 Regulated Activities for the Voluntary Jurisdiction at ~~6 April 2026~~ 15 July 2026

This table belongs to *DISP 2.5.1R*

G The activities which were covered by the *Compulsory Jurisdiction* (at ~~6 April 2026~~ 15 July 2026) were:

...

The activities which (at ~~6 April 2026~~ 15 July 2026) were *regulated activities* were, in accordance with section 22 of the *Act* (Regulated Activities), any of the following activities specified in Part II and Parts 3A and 3B of the *Regulated Activities Order* (with the addition of *auction regulation bidding, administering a benchmark and dealing with unwanted asset money*):

...

...

TP 1 Transitional provisions

TP 1.1 Transitional Provisions table

(1)	(2) Material provision to which transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
...					
57
58	<u>DISP 1.10 as disapplied and modified as set out in the table in CONC 16.1.5R</u>	G	<p><u>(1) Firms are reminded of the disapplication and modification of DISP 1.10 as set out in the table in CONC 16.1.5R. The effect of those provisions is that no reports are due under DISP 1.10 and DISP 1.10A for complaints relating to deferred payment credit activities, unless and until such time as Part 4A permission is granted, given or varied by the FCA, as applicable, to carry on deferred payment credit activities.</u></p> <p><u>(2) Where a firm ceases to provide deferred payment credit activities on the basis of a deferred payment credit temporary permission by reason of being granted or given a Part 4A permission for these activities or by reason of having its Part 4A permission varied to include these activities, reports under DISP 1.10, DISP 1.10A and DISP 1 Annex 1R will be due for complaints relating to deferred credit payment</u></p>	<u>From 15 July 2026</u>	<u>15 July 2026</u>

		<p><u>activities received while the firm operated with a deferred payment credit temporary permission. To clarify:</u></p> <p><u>(a) the reporting frequencies, submission deadlines and time limits for publication for the returns and complaints data summaries in DISP 1.10 and DISP 1.10A are to be calculated:</u></p> <p><u>(i) for reporting periods before 31 December 2026: by reference to the firm's next accounting reference date that follows the date on which the deferred payment credit temporary permission ceases to have effect following the granting, giving or variation of a Part 4A permission; or</u></p> <p><u>(ii) for reporting periods after 31 December 2026: within 30 business days of the end of the relevant reporting period as set out in DISP 1.10.1R(1A), DISP 1.10.4R and DISP 1.10.4BR;</u></p> <p><u>(b) the first complaints return in the form in DISP 1 Annex 1 should cover complaints received in the period commencing on the deferred payment credit regulatory commencement date and ending on the firm's next reporting date as</u></p>		
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			<p><u>determined in accordance with (a); and (c) the complaints return form should be submitted in the form set out in <i>DISP</i> 1 Annex 1R as amended by Part 1 or Part 2 of Annex E of the Deferred Payment Credit Instrument 2026, as applicable.</u></p>		
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...

Annex F

Amendments to the Consumer Credit sourcebook (CONC)

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

2 Conduct of business standards: general

...

2.3 Conduct of business: lenders and restrictions on provision of credit card cheques

...

General conduct

- 2.3.2 R (1) ~~A~~ In relation to a regulated credit agreement other than a regulated deferred payment credit agreement, a firm must explain the key features of a regulated credit agreement to enable the customer to make an informed choice as required by CONC 4.2.5R (adequate explanations).

[Note: paragraph 2.2 of ILG.]

- (2) In relation to a regulated deferred payment credit agreement, a firm must provide the information required by CONC 4.2A.3R.

...

2.7 Distance marketing

Application

- 2.7.1 R (1) Subject to (2) ~~and~~ (3) and (4), this section applies to a firm that carries on any distance marketing activity from an establishment in the UK, with or for a consumer in the UK.

...

- (3) ...

- (4) This section does not apply to any distance marketing activity carried on in relation to a regulated deferred payment credit agreement.

...

4 Pre-contractual requirements

...

4.2 Pre-contract disclosure and adequate explanations

Application

4.2.1 R This section, unless otherwise stated in or in relation to a *rule*:

...

(4) does not apply to an agreement secured on *land*; ~~and~~

(4A) does not apply to a *regulated deferred payment credit agreement*; and

...

...

Insert the following new section, CONC 4.2A, after CONC 4.2 (Pre-contract disclosure and adequate explanations). All the text is new and is not underlined.

4.2A Product information requirements: regulated deferred payment credit agreements

Application

4.2A.1 R This section applies to a *firm* with respect to *deferred payment credit lending*.

Purpose

4.2A.2 G The purpose of the *rules* in this section is to ensure that *customers* have appropriate information before entering into a *regulated deferred payment credit agreement*. References in this section to an ‘agreement’ are to a *regulated deferred payment credit agreement*.

Product information: pre-contract

4.2A.3 R (1) Before making an agreement, the *firm* must:

(a) give to the *customer* the information set out in *CONC 4.2A.5R(1)* (referred to in this section as the ‘key product information’); and

(b) give, or make available, to the *customer* the information set out in *CONC 4.2A.5R(2)* (referred to in this section as the ‘additional product information’).

- (2) The additional product information must all be given, or made available, to the *customer* together, except for the contractual terms and conditions which may be given, or made available, separately.
- (3) Where there is more than one *customer* acting together as ‘joint borrowers’, the information required under this *rule* must be given, or made available (as applicable), to each *customer*.

Exception for distance contracts entered into orally

- 4.2A.4 R In the case of an agreement that is a *distance contract* entered into orally, the requirement in *CONC* 4.2A.3R(1) may be satisfied by the *firm*:
- (1) giving the key product information to the *customer* orally before the agreement is made; and
 - (2) giving the key product information and the additional product information to the customer in a *durable medium* immediately after the agreement is made.

The information to be given or made available to the customer

- 4.2A.5 R (1) The key product information referred to in *CONC* 4.2A.3R(1)(a) is as follows:
- (a) the rate of interest that applies to the agreement;
 - (b) the amount of the *credit* to be provided under the agreement;
 - (c) the number and frequency of payments to be made by the *customer* under the agreement (and, where known, the dates upon which those payments will fall due);
 - (d) the amount of each payment to be made by the *customer* under the agreement;
 - (e) the cash price of the goods or services, the acquisition of which is to be financed by *credit* under the agreement;
 - (f) the principal consequences for the *customer* of failing to make payment in accordance with the agreement including, where applicable:
 - (i) the circumstances in which charges for late or missed payment or underpayment will be applied (and the amount of those charges);
 - (ii) the risk of impaired credit rating and its possible effect on the *customer's* future access to, or cost of, *credit*;
 - (g) whether the *lender* will obtain information from a *credit reference agency* before deciding whether to proceed with the

agreement (but, where the *lender* does not know whether it will obtain information from a *credit reference agency* before deciding whether to proceed with the agreement, then instead, that the *lender* may obtain information from a *credit reference agency* before deciding whether to proceed with the agreement);

- (h) that information about certain rights is set out in the additional product information; and
 - (i) the existence of any other contractual terms and conditions of the agreement and, if they are to be made available (rather than given) to the *customer* as part of the additional product information, how the full contractual terms and conditions can be accessed.
- (2) The additional product information referred to in *CONC* 4.2A.3R(1)(b) is as follows:
- (a) the identity of the *lender* and the *supplier*;
 - (b) the existence of any of the following rights:
 - (i) to withdraw from or cancel the agreement;
 - (ii) to complete payments ahead of time;
 - (c) an explanation of the circumstances in which the *customer* has any of the rights referenced in (2)(b), and how the *customer* may exercise them;
 - (d) the existence of a right for *eligible complainants* to refer a complaint to the *Financial Ombudsman Service*, and information about how a complaint may be referred to the *Financial Ombudsman Service*;
 - (e) an explanation of the interaction between any entitlement the *customer* has to return goods to the *supplier*, and the *customer's* rights or obligations under or in respect of the agreement;
 - (f) any further information the *customer* needs to understand the potential adverse consequences of a failure to make payments in accordance with the agreement and an explanation of how the *customer* can avoid those adverse consequences;
 - (g) an explanation of the protections available to the *customer* under section 75 of the *CCA* (or, if relevant, under section 75A of the *CCA*);
 - (h) (where the *customer* will need to grant a *continuous payment authority* and the *firm* chooses to comply with *CONC* 4.6.2R

in the manner set out in *CONC* 4.6.2AR) an adequate explanation of the matters set out in *CONC* 4.6.2R(2)(a) to (i) and (k); and

- (i) the contractual terms and conditions.

Product information: once the agreement is made

- 4.2A.6 R (1) Immediately after an agreement has been made, the *firm* must give, or make available, to the *customer* in a *durable medium*:
- (a) a copy of the agreement; and
 - (b) the key product information and the additional product information described in *CONC* 4.2A.5R.
- (2) The requirement in (1)(b) does not apply to the extent that:
- (a) the information is included in the copy of the agreement provided in accordance with (1)(a);
 - (b) the information was given to the *customer* in a *durable medium* prior to the customer entering into the agreement; or
 - (c) the information was given to the *customer* in a *durable medium* immediately after the agreement was made in accordance with *CONC* 4.2A.4R (Exception for distance contracts entered into orally).

Credit agreements where there is a guarantor etc

- 4.2A.7 R (1) This *rule* applies if:
- (a) a *firm* is to enter into an agreement; and
 - (b) an *individual* other than the *borrower* (in this *rule* referred to as ‘the guarantor’) is to provide a guarantee or an indemnity (or both) in relation to the agreement.
- (2) The *firm* must, before making the agreement, provide the guarantor with the information in (3) in order to place the guarantor in a position to make an informed decision as to whether to act as the guarantor in relation to the agreement.
- (3) The information referred to in (2) is:
- (a) an adequate explanation of:
 - (i) the circumstances in which the guarantee or the indemnity (or both) might be called on; and

- (ii) the implications for the guarantor of the guarantee or the indemnity (or both) being called on; and
- (b) such of the information mentioned in *CONC 4.2A.5R* as the *firm* considers necessary for the guarantor to understand the adequate explanations required by (3)(a) and make an informed decision as to whether to act as guarantor.
- (4) The information provided under (3)(b) does not need to include information about the use of a *continuous payment authority* where that information is provided to the guarantor in compliance with *CONC 4.6.5R*.

[**Note:** See also Part 8 of the *CCA*.]

Interpretation: making information available

- 4.2A.8 R For the purposes of this section, information is made available to a *customer* only if the *customer* can reasonably be expected to:
 - (1) know how to access it; and
 - (2) be able to access it.
- 4.2A.9 G The *rules* in this section do not specify how information can be made available, as it will depend on the context and channel of communication. However, *CONC 4.2A.8R* provides that the test will be satisfied only if the *customer* can reasonably be expected to know how to access the information and be able to access it. Information is unlikely to be made available if it is not clearly and prominently signposted, or if it is obscured or provided alongside too much other information.

Supporting customer understanding

- 4.2A.10 G (1) *Firms* are reminded of their obligations under *CONC 3.3* (The clear, fair and not misleading rule and general requirements), *Principle 12* and *PRIN 2A* (the Consumer Duty). In the *FCA*'s view, to comply with the requirements of *CONC 3.3*, *Principle 12* and *PRIN 2A* and the *rules* in this section, a *firm* should, among other things, consider how it communicates with its *customers* and provides information in a way that supports *customer* understanding (see in particular *PRIN 2A.5*).
- (2) In particular, *firms* should ensure that the information required under this section is communicated:
 - (a) in such a way that:
 - (i) the *customer*'s attention is drawn to it; and

- (ii) it is not disguised, diminished or obscured by any other information given to the *customer* at the same time; and
 - (b) in good time for the *customer* to consider it and make effective decisions before entering into the agreement.
- 4.2A.11 R This section also applies to a *Gibraltar-based firm* with respect to *deferred payment credit lending*.
- 4.2A.12 G *Gibraltar-based firms* are reminded that *GEN 2.3.1R(5)* provides that a *Gibraltar-based firm* carrying on *deferred payment credit activity* must comply with the relevant *Handbook* provisions relating to *deferred payment credit activity*.

Amend the following as shown.

4.6 Pre-contract disclosure: continuous payment authorities

...

Disclosure of continuous payment authorities

4.6.2 R ...

(2) The matters referred to in (1) are:

...

- (k) whether default fees and other charges may be added and, if so, the circumstances in which these may be incurred and the amount of such fees and charges or the basis on which they will be calculated.

[**Note:** paragraph 3.9miii of *DCG*]

Adequate explanations in relation to regulated deferred payment credit agreements

4.6.2A R Where the *regulated credit agreement* is a *regulated deferred payment credit agreement*, the requirement in *CONC 4.6.2R(1)* to provide the *customer* with an adequate explanation of the matters in *CONC 4.6.2R(2)* may be satisfied by including the explanations referred to in *CONC 4.6.2R(2)(a) to (i) and (k)* in the additional product information given, or made available, to the *customer* in accordance with *CONC 4.2A.3R(1)(b)*.

...

4.8 Pre-contract: unfair business practices: consumer credit lending

...

Unfair business practices

- 4.8.2 R A *firm* must not unfairly encourage, incentivise or induce a *customer* to enter into a *regulated credit agreement* quickly without allowing the *customer* time to consider:
- (1) in relation to a *regulated credit agreement* other than a *regulated deferred payment credit agreement*, the pre-contract information under section 55 of the *CCA* and the explanations provided under *CONC 4.2.5R*; or
 - (2) in relation to a *regulated deferred payment credit agreement*, the information given, or made available, to the customer under *CONC 4.2A.3R(1)*.

[**Note:** paragraph 5.10 of *ILG*]

...

6 Post contractual requirements

...

6.7 Post contract: business practices

...

Authorised non-business overdraft agreements: reductions in credit limits

...

6.7.42 G ...

Regulated deferred payment credit agreements: information provided to customers during the course of a regulated deferred payment credit agreement

- 6.7.43 G (1) When dealing with *customers* during the course of a *regulated deferred payment credit agreement*, a *firm* should pay due regard to its obligations under *Principle 12* and *PRIN 2A* (the Consumer Duty).
- (2) *Firms* are reminded of their obligations under:
- (a) the consumer understanding outcome rules in *PRIN 2A.5*, including in particular *PRIN 2A.5.3R* to *PRIN 2A.5.6R* and *PRIN 2A.5.10R*; and
 - (b) the consumer support outcome rules in *PRIN 2A.6*, including in particular *PRIN 2A.6.2R*.

...

7 Arrears, default and recovery (including repossessions)

7.1 Application

...

Agreements where there is a guarantor etc

7.1.4 R ...

- (3) This *rule* does not apply to *CONC 7.3.1G*, *CONC 7.4.1R*, *CONC 7.4.2R*, *CONC 7.5.1G*, *CONC 7.6.2AR*, *CONC 7.6.2BG*, *CONC 7.15.3G*, *CONC 7.15.4R*, *CONC 7.15.5G*, ~~or~~ *CONC 7.17* to *CONC 7.19*, *CONC 7.20.1R* or *CONC 7.20.2G*.

...

...

7.6 Exercise of continuous payment authority

Recovery and continuous payment authorities etc.

...

7.6.2B G ...

Regulated deferred payment credit agreements: adequate explanations relating to continuous payment authorities

7.6.2C R References in *CONC 7.6.2G* and *CONC 7.6.2AR* to the adequate explanation required by *CONC 4.6.2R* include, in relation to a *regulated deferred payment credit agreement*, where the explanations were included in the product information in compliance with *CONC 4.6.2AR*.

...

Insert the following new section, *CONC 7.20*, after *CONC 7.19* (Notice of default sums under P2P agreements) All the text is new and is not underlined.

7.20 Regulated deferred payment credit agreements: information about missed payments and giving notice before taking certain action

Missed payments

7.20.1 R (1) This *rule* applies where a *borrower* has failed to make a payment by the time it has fallen due under the terms of a *regulated deferred payment credit agreement* ('a missed payment').

- (2) As soon as possible after a missed payment has occurred the *firm* must:
- (a) notify the *borrower*:
 - (i) that the missed payment has occurred; and
 - (ii) about any sums which have become payable under the *regulated deferred payment credit agreement* but remain unpaid (including unpaid charges for non-compliance with the agreement); and
 - (b) provide the *borrower* with sufficient information for the *borrower* to understand:
 - (i) which *regulated deferred payment credit agreement* the missed payment relates to;
 - (ii) any adverse consequences for the *borrower* arising out of the missed payment;
 - (iii) any adverse consequences for the *borrower* that the *firm* considers are likely to arise out of the missed payment; and
 - (iv) (where relevant) any steps the *borrower* can take to mitigate those adverse consequences.
- (3) The information required under (2) must be provided together.
- (4) In this *rule* references to ‘payment’ refer to the repayment of capital but exclude payment of a charge for non-compliance with a *regulated deferred payment credit agreement*.

7.20.2 G For the purposes of *CONC 7.20.1R(2)(b)(ii)*, (iii) and (iv), the *firm* should consider in particular the circumstances in which:

- (1) the *firm* applies charges in respect of missed payments; and
- (2) the *firm* reports missed payments to a *credit reference agency*.

Giving notice before taking certain action

- 7.20.3 R (1) Before a *firm* takes any of the actions specified in (2), it must give the *borrower* reasonable notice of its intention to do so.
- (2) The actions mentioned in (1) are:
- (a) taking steps to enforce a term of a *regulated deferred payment credit agreement* by:
 - (i) demanding the earlier payment of any sum;

- (ii) treating any right conferred on the borrower by the agreement as terminated, restricted or deferred; or
 - (iii) enforcing any *security*;
- (b) terminating a *regulated deferred payment credit agreement*.
- (3) If any of the actions mentioned in (2) are conditional on whether the *borrower* takes steps in response to notice given by the *firm*, the *firm* must explain that to the *borrower* when giving notice by setting out:
 - (a) the steps that the *borrower* is required to take; and
 - (b) the date by which such steps must be taken.
- (4) Where a *firm* intends to take any of the actions specified in (2) and the *borrower* is in arrears, the *firm* must when giving notice in accordance with (1):
 - (a) inform the *borrower* that free and impartial money guidance and debt advice is available from *not-for-profit debt advice bodies* and can be accessed through a range of delivery channels, including digital tools; and
 - (b) effectively communicate to the *borrower* the potential benefits of accessing money guidance or free and impartial debt advice from *not-for-profit debt advice bodies*.

[**Note:** see section 129(1) of the *CCA*.]

Amend the following as shown.

11 Cancellation

11.1 The right to cancel

...

11.1.2 R ...

11.1.2A G As the distance marketing provisions in CONC 2.7 do not apply in relation to a regulated deferred payment credit agreement, there is no right to cancel under CONC 11.1.1R in respect of a regulated deferred payment credit agreement to which section 66A (Right to withdraw) of the CCA applies.

...

Insert the following new chapter, CONC 16, after CONC 15 (Agreements secured on land). All the text is new and is not underlined.

16 Requirements for firms with deferred payment credit temporary permission

16.1 Application and purpose

16.1.1 R Subject to CONC 16.1.4R(2), this chapter applies to a *firm* with a *deferred payment credit temporary permission*.

16.1.2 G The purpose of these *rules* is to provide that certain provisions of the *Handbook*:

- (1) that would otherwise apply to *persons* with a *deferred payment credit temporary permission* are not to apply to those *persons*; or
- (2) are to apply to those *persons* with the modifications specified in the table in CONC 16.1.5R.

16.1.3 G In addition to the disapplication and modifications set out in CONC 16.1.5R, SYSC TP 13 makes transitional provision about the application of the senior managers and certification regime to *firms* with a *deferred payment credit temporary permission*.

Disapplication or modification of certain modules or provisions of the Handbook

16.1.4 R (1) The modules or parts of the modules of the *FCA Handbook* listed in the table in CONC 16.1.5R:

- (a) do not apply, to the extent set out in the table, to a *person* with a *deferred payment credit temporary permission* with respect to the carrying on of a *deferred payment credit activity*; or
- (b) are to apply to such *persons* with the modifications specified in the table in CONC 16.1.5R.

(2) In addition, the modification of the *DISP* module of the *FCA Handbook* specified in paragraph (3) of the relevant row in the table in CONC 16.1.5R (relating to *DISP* 1.10) applies where a *firm* with *deferred payment credit temporary permission* is granted or given *Part 4A permission* by the *FCA* to carry on *deferred payment credit activity*, or has its *Part 4A permission* varied to include *permission* to carry on *deferred payment credit activity*.

16.1.5 R Table: Disapplied or modified modules or provisions of the *Handbook*

Module	Disapplication or modification
Threshold Conditions (<i>COND</i>)	The guidance in <i>COND</i> applies with the necessary modifications to reflect Part 4 of the <i>Deferred Payment Credit Order</i> (see Notes 1 and 2).

	<p>Note 1</p>	<p>A <i>firm</i> has <i>deferred payment credit temporary permission</i> on and after the <i>deferred payment credit regulatory commencement date</i> to carry on <i>deferred payment credit activity</i> where the conditions set out in Part 4 of the <i>Deferred Payment Credit Order</i> have been met. According to article 11(6) of that Order, the duty imposed by section 55B(3) of the <i>Act</i> (satisfaction of threshold conditions) does not apply where the <i>FCA</i> exercises its powers under:</p> <p>(1) section 55J of the <i>Act</i> (Variation or cancellation on initiative of regulator);</p> <p>(2) section 55H of the <i>Act</i> (Variation by FCA at request of authorised person) to remove a regulated activity; or</p> <p>(3) section 55L of the <i>Act</i> (Imposition of requirements by FCA),</p> <p>in relation to a <i>firm</i> that has <i>deferred payment credit temporary permission</i> in relation to <i>deferred payment credit activity</i> carried on under its <i>deferred payment credit temporary permission</i>. <i>Guidance</i> in <i>COND</i> should be read accordingly.</p>
	<p>Note 2</p>	<p>The effect of article 11(9)(a) of the <i>Deferred Payment Credit Order</i> is that the <i>deferred payment credit activity</i> for which a <i>firm</i> has <i>deferred payment credit temporary permission</i> is to be treated as if it were not a <i>regulated activity</i> for the purposes of construing the reference to the only <i>regulated activities</i> that a <i>person</i> carries on, or seeks to carry on, contained in paragraphs 2C(1A), 2D(3A) and 2F(3) of Schedule 6 to the <i>Act</i>. This means that a <i>firm</i> may have <i>limited permission</i> while also having a <i>deferred payment credit temporary permission</i>, and the <i>guidance</i> in <i>COND</i> 1.1A.5AG should be read accordingly.</p>

<p>Statements of Principle and Code of Practice for Approved Persons (<i>APER</i>)</p>	<p>For the purposes of determining the application of <i>APER</i> where a <i>firm's permission</i> includes <i>permission</i> to carry on <i>regulated activities</i> granted by the <i>FCA</i> under Part 4A of the <i>Act</i> (as well as <i>permission</i> arising by virtue of a <i>deferred payment credit temporary permission</i>):</p> <p>(1) where the application of a provision is determined in whole or in part by reference to the <i>firm's permission</i>, the <i>firm's deferred payment credit temporary permission</i> is to be disregarded; and</p> <p>(2) where the application of a provision is determined in whole or in part by reference to <i>regulated activities</i> carried on by the <i>firm</i> or its <i>appointed representative</i>, any <i>deferred payment credit activity</i> of the <i>firm</i> or its <i>appointed representative</i> which falls within scope of the <i>firm's deferred payment credit temporary permission</i> is to be treated as if it were not a <i>regulated activity</i>.</p> <table border="1" data-bbox="644 842 1426 1240"> <tr> <td data-bbox="644 842 810 1061"> <p>Note 3</p> </td> <td data-bbox="810 842 1426 1061"> <p>Article 11(2)(d) of the <i>Deferred Payment Credit Order</i> provides that a <i>deferred payment credit temporary permission</i> does not have effect as a <i>Part 4A permission</i> for the purposes of section 59 of the <i>Act</i>.</p> </td> </tr> <tr> <td data-bbox="644 1061 810 1240"> <p>Note 4</p> </td> <td data-bbox="810 1061 1426 1240"> <p>The effect of <i>SYSC TP 13.3R</i> is that a <i>firm</i> with only a <i>deferred payment credit temporary permission</i> is not an <i>SMCR firm</i>. <i>APER</i> will therefore not apply to such a <i>firm</i>.</p> </td> </tr> </table>	<p>Note 3</p>	<p>Article 11(2)(d) of the <i>Deferred Payment Credit Order</i> provides that a <i>deferred payment credit temporary permission</i> does not have effect as a <i>Part 4A permission</i> for the purposes of section 59 of the <i>Act</i>.</p>	<p>Note 4</p>	<p>The effect of <i>SYSC TP 13.3R</i> is that a <i>firm</i> with only a <i>deferred payment credit temporary permission</i> is not an <i>SMCR firm</i>. <i>APER</i> will therefore not apply to such a <i>firm</i>.</p>
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<p>Note 4</p>	<p>The effect of <i>SYSC TP 13.3R</i> is that a <i>firm</i> with only a <i>deferred payment credit temporary permission</i> is not an <i>SMCR firm</i>. <i>APER</i> will therefore not apply to such a <i>firm</i>.</p>				
<p>General Provisions (<i>GEN</i>)</p>	<p>(1) For a <i>firm</i> with only a <i>deferred payment credit temporary permission</i>, <i>GEN 4 Annex 1R</i> is modified so that the following disclosure must be included in place of the required disclosure for a <i>UK domestic firm</i> or <i>overseas firm</i>:</p> <p>‘Deemed authorised and regulated by the Financial Conduct Authority for the purposes of the Temporary Permission regime for Regulated Deferred Payment Credit. Details of the Temporary Permission regime, which allows firms to carry on deferred payment credit activities while seeking full authorisation, are available on the Financial Conduct Authority’s website.’</p> <p>(2) For a <i>firm</i> whose <i>permission</i> includes <i>permission</i> to carry on <i>regulated activities</i> granted by the <i>FCA</i> under Part 4A of the <i>Act</i> (as well as a <i>deferred payment credit temporary permission</i>), <i>GEN 4 Annex 1R</i> is modified so that the disclosure in (1) must be included in addition to the disclosure in that Annex.</p> <p>(3) Where a <i>firm</i> to which (1) or (2) applies is in supervised run-off, the <i>firm</i> must use the following status</p>				

	<p>disclosure in place of, or in addition to, as applicable, the status disclosure in <i>GEN 4 Annex 1R</i>:</p> <p>‘Deemed authorised and regulated by the Financial Conduct Authority for the purposes of the Supervised run-off regime for Regulated Deferred Payment Credit. Details of the Supervised run-off regime, which allows firms to service deferred payment credit agreements for a limited period, are available on the Financial Conduct Authority’s website.’</p> <p>(4) The <i>guidance</i> in <i>GEN 4.3.2A</i> is modified accordingly.</p>		
Supervision manual (<i>SUP</i>)	<p><i>SUP 6</i> (Applications to vary and cancel Part 4A permission and to impose, vary or cancel requirements) applies with the necessary modifications to reflect Part 4 of the <i>Deferred Payment Credit Order</i> (see Note 5).</p>		
	<table border="1"> <tr> <td data-bbox="651 797 810 1453">Note 5</td> <td data-bbox="810 797 1425 1453"> <p>Article 11(4) of the <i>Deferred Payment Credit Order</i> provides that if a <i>firm with deferred payment credit temporary permission</i> applies to the <i>FCA</i> under:</p> <p>(1) section 55A of the <i>Act</i> for <i>permission</i> to carry on a <i>regulated activity</i> that is not a <i>deferred payment credit activity</i>; or</p> <p>(2) section 55H of the <i>Act</i> to vary a <i>permission</i> that is not a <i>deferred payment credit temporary permission</i> by adding a <i>regulated activity</i> that is not a <i>deferred payment credit activity</i>,</p> <p>the application may be treated by the <i>FCA</i> as relating also to one or more of the <i>regulated activities</i> for which the firm has <i>deferred payment credit temporary permission</i>.</p> </td> </tr> </table>	Note 5	<p>Article 11(4) of the <i>Deferred Payment Credit Order</i> provides that if a <i>firm with deferred payment credit temporary permission</i> applies to the <i>FCA</i> under:</p> <p>(1) section 55A of the <i>Act</i> for <i>permission</i> to carry on a <i>regulated activity</i> that is not a <i>deferred payment credit activity</i>; or</p> <p>(2) section 55H of the <i>Act</i> to vary a <i>permission</i> that is not a <i>deferred payment credit temporary permission</i> by adding a <i>regulated activity</i> that is not a <i>deferred payment credit activity</i>,</p> <p>the application may be treated by the <i>FCA</i> as relating also to one or more of the <i>regulated activities</i> for which the firm has <i>deferred payment credit temporary permission</i>.</p>
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	<p>For the purposes of determining the application of <i>SUP 10A</i> (FCA Approved Persons in Appointed Representatives) where a <i>firm’s permission</i> includes <i>permission</i> to carry on <i>regulated activities</i> granted by the <i>FCA</i> under Part 4A of the <i>Act</i> (as well as <i>permission</i> arising by virtue of a <i>deferred payment credit temporary permission</i>):</p> <p>(1) if the application of a provision is determined in whole or in part by reference to the <i>firm’s permission</i>, the <i>firm’s deferred payment credit temporary permission</i> is to be disregarded; and</p> <p>(2) if the application of a provision is determined in whole or in part by reference to <i>regulated activities</i> carried on by the <i>firm</i> or its <i>appointed representative</i>, any <i>deferred</i></p>		

<p><i>payment credit activity of the firm or its appointed representative which falls within scope of the firm's deferred payment credit temporary permission is to be treated as if it were not a regulated activity.</i></p>	
Note 6	<p>Article 11(2)(d) of the <i>Deferred Payment Credit Order</i> provides that a <i>deferred payment credit temporary permission</i> does not have effect as a <i>Part 4A permission</i> for the purposes of section 59 of the <i>Act</i>.</p>
Note 7	<p>The effect of SYSC TP 13.3R is that a <i>firm</i> with only a <i>deferred payment credit temporary permission</i> is not an <i>SMCR firm</i>. <i>SUP 10A</i> will therefore not apply to such a <i>firm</i>.</p>
<p><i>SUP 11</i> (Controllers and close links) does not apply to a <i>firm</i> with only a <i>deferred payment credit temporary permission</i> (see Note 8).</p>	
Note 8	<p>A <i>firm</i> that was not an <i>authorised person</i> immediately before the <i>deferred payment credit regulatory commencement date</i> is not to be treated as an <i>authorised person</i> for the purposes of Part XII of the <i>Act</i> (Control Over Authorised Persons) by virtue of holding a <i>deferred payment credit temporary permission</i> (see article 11(7) of the <i>Deferred Payment Credit Order</i>).</p>
<p>The <i>guidance</i> in <i>SUP 12</i> (Appointed representatives), and any <i>guidance</i> elsewhere in the <i>Handbook</i>, concerning the effect of section 39 of the <i>Act</i>, applies with the modifications necessary to reflect article 11(2)(b) and (3) of the <i>Deferred Payment Credit Order</i>.</p>	
Note 9	<p>The effect of articles 11(2)(b) and (3) of the <i>Deferred Payment Credit Order</i> is that if the only activities in a <i>firm's permission</i> are those permitted by virtue of a <i>deferred payment credit temporary permission</i> (or for which the <i>firm</i> has a <i>limited permission</i>), the <i>firm</i> may still be an <i>appointed representative</i> in relation to the carrying on of other <i>regulated activity</i> which is comprised in the business for which the <i>firm's principal</i> has accepted responsibility.</p>
<p><i>SUP 16</i> (Reporting requirements) does not apply:</p>	

	<p>(1) to a <i>firm</i> with only a <i>deferred payment credit temporary permission</i>; or</p> <p>(2) to any other <i>firm</i>, with respect to:</p> <p>(a) the <i>firm's deferred payment credit temporary permission</i>; and</p> <p>(b) the carrying on of <i>deferred payment credit activity</i> for which it has <i>deferred payment credit temporary permission</i>.</p>	
<p>Disputes Resolution: Complaints sourcebook (DISP)</p>	<p>(1) <i>DISP</i> 1.10 (Complaints reporting rules) does not apply to a <i>firm</i> with only a <i>deferred payment credit temporary permission</i>.</p> <p>(2) Where a <i>firm's permission</i> includes <i>permission</i> to carry on <i>regulated activities</i> granted by the <i>FCA</i> under Part 4A of the <i>Act</i> (as well as <i>permission</i> arising by virtue of a <i>deferred payment credit temporary permission</i>), <i>complaints</i> about <i>deferred payment credit activity</i> are not to be included by that <i>firm</i> in a report required by <i>DISP</i> 1.10 (Complaints reporting rules).</p> <p>(3) Where a <i>firm</i> with <i>deferred payment credit temporary permission</i> is granted or given <i>Part 4A permission</i> by the <i>FCA</i> to carry on <i>deferred payment credit activity</i>, or has its <i>Part 4A permission</i> varied to include <i>permission</i> to carry on <i>deferred payment credit activity</i>, the <i>firm</i> must report all <i>complaints</i> concerning <i>deferred payment credit activity</i> received during the period when the <i>firm</i> had <i>deferred payment credit temporary permission</i>, in its first report due under <i>DISP</i> 1.10.</p>	<p>Note 10</p> <p>The effect of (2) is that the <i>firm</i> is not required to include <i>complaints</i> concerning <i>deferred payment credit activity</i> carried on by virtue of the <i>firm's deferred payment credit temporary permission</i> in a report required by <i>DISP</i> 1.10. But in the circumstances mentioned in (3), the <i>firm</i> must include all such <i>complaints</i> received during the period when the <i>firm</i> had <i>deferred payment credit temporary permission</i>, in its first report due under <i>DISP</i> 1.10.</p>
<p>Glossary of definitions</p>	<p>Where necessary for the purposes of article 11(2)(b) and (3) of the <i>Deferred Payment Credit Order</i>, the definition of 'appointed representative' is to be read subject to those provisions.</p>	

- 16.1.6 R In the table in *CONC 16.1.5R*, ‘a firm in supervised run-off’ means a *firm* that continues to have *deferred payment credit temporary permission* to enable it to wind down (run off) its *deferred payment credit lending* business by virtue of article 10(3)(c)(ii) or (d)(ii) of the *Deferred Payment Credit Order*.

Annex G

Amendments to the Perimeter Guidance manual (PERG)

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

2 Authorisation and regulated activities

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2.7 Activities: a broad outline

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Credit broking

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2.7.7F G An activity is not *credit broking* within PERG 2.7.7EG(1), PERG 2.7.7EG(4), PERG 2.7.7EG(5) or PERG 2.7.7EG(6) if the exemption relating to the number of repayments to be made would apply to the *credit agreement*, see PERG 2.7.19GG.

2.7.7FA G An activity is also not *credit broking* within PERG 2.7.7EG(1) to PERG 2.7.7EG(6) in so far as the activity is carried on in relation to a *regulated deferred payment credit agreement*.

...

Exemptions relating to number of repayments to be made

2.7.19G G A *credit agreement* is also an exempt agreement in the following cases:

(1) if (subject to PERG 2.7.19HG and PERG 2.7.19HAG):

...

...

...

2.7.19H G ...

Regulated deferred payment credit agreements

2.7.19H G (1) The exemption described in PERG 2.7.19GG(1) does not apply to
A *credit agreements* which meet the definition of a *regulated deferred*
payment credit agreement.

(2) *Regulated deferred payment credit agreements* do not benefit from
the exemption in PERG 2.7.19GG(1) referred to in (1) because of
amendments made to article 60F of the *Regulated Activities Order*

by article 3(3) of the *Deferred Payment Credit Order*. The effect of these changes is that the following agreements entered into on or after the *deferred payment credit regulatory commencement date* which are not secured on land will not be exempt under article 60F(2) (even if the other conditions in article 60F(2)(a) to (d) are met):

(a) agreements where:

- (i) the lender and the supplier are not the same person; and
- (ii) article 60F(7B) of the *Regulated Activities Order* does not apply to the agreement (see (3) below); or

(b) agreements made in the following way:

- (i) a person ('the principal supplier') offers to supply goods or services to a consumer ('the consumer') financed by a *credit agreement* provided by another person ('the lender');
- (ii) the lender, under a pre-existing arrangement with that principal supplier, purchases the goods or services from the principal supplier, for supply to the consumer; and
- (iii) the lender is, in relation to the *credit agreement* with the consumer mentioned in (i), also the supplier of the goods or services to that consumer.

(3) Provided the conditions in article 60F(2)(a) to (d) of the *Regulated Activities Order* are met in respect of the agreement, the exemption described in *PERG 2.7.19GG(1)* will apply to the following types of agreements to which article 60F(7B) of the *Regulated Activities Order* applies, even where the lender and the supplier are not the same person:

(a) agreements to finance premiums under contracts of insurance;

(b) agreements where:

- (i) the borrowers are employees; and
- (ii) the agreements result from an arrangement between the lender or supplier and:
 - (A) the borrowers' employer; or

(B) an undertaking which is a member of the same group as the *borrowers*’ employer; and

(c) agreements to finance the provision of goods or services offered by a registered social landlord (as defined by article 36FA(4) of the *Regulated Activities Order*) to:

(i) its tenants;

(ii) its leaseholders; or

(iii) persons with whom the registered social landlord has entered a shared ownership agreement within the meaning of section 83(3) of the Housing (Scotland) Act 2001.

...

2.8 Exclusions applicable to particular regulated activities

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Credit broking

2.8.6C G The following activities are excluded from the *regulated activity of credit broking*:

...

(6A) ...

Activities carried on in relation to regulated deferred payment credit agreements

(6B) Activities carried on in relation to a *regulated deferred payment credit agreement* are excluded from *credit broking*.

...

...

8 Financial promotion and related activities

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8.12 Exemptions applying to all controlled activities

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Introductions (article 15)

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8.12.11 G This exemption does not apply to any *financial promotion* that is made with
A a view to, or for the purpose of, an introduction to a person who carries on
the *controlled activities* of:

- (1) credit broking;
- (2) operating an electronic system in relation to lending; ~~or~~
- (2A) providing relevant consumer credit in relation to a *regulated deferred payment credit agreement*; or
- (3) agreeing to carry on the above activities.

...