



## Regulation consumer credit activities

Updated on 4 January 2021

This page is for SRA-authorised firms involved in, or considering becoming involved in, the carrying on of consumer credit activities under Part 20 of the Financial Services and Markets Act 2000 (FSMA) as an exempt professional firm (EPF).

Our toolkit below provides tools and resources to help SRA-authorised firms understand the regulatory requirements and deliver consumer credit services in a compliant way.

### Resources

[Background information: reference to Part 20 and how firms can deliver FSMA regulated activities as an EPF](https://contact.sra.org.uk/solicitors/resources-archived/financial-services-rules/background/) [https://contact.sra.org.uk/solicitors/resources-archived/financial-services-rules/background/]

[Find out how your consumer credit activities need to be regulated](#) [#tree]

[Q&A - Regulation of consumer credit activities](https://contact.sra.org.uk/solicitors/resources-archived/financial-services-rules/questions-answers/)  
[https://contact.sra.org.uk/solicitors/resources-archived/financial-services-rules/questions-answers/]

[Guidance - Consumer credit case studies](https://contact.sra.org.uk/solicitors/guidance/consumer-credit-activities/)  
[https://contact.sra.org.uk/solicitors/guidance/consumer-credit-activities/]

[SRA Standards and Regulations - SRA Financial Services \(Scope\) Rules](https://contact.sra.org.uk/solicitors/standards-regulations/financial-services-scope-rules/)  
[https://contact.sra.org.uk/solicitors/standards-regulations/financial-services-scope-rules/]

[\[https://contact.sra.org.uk/solicitors/standards-regulations/financial-services-conduct-business-rules/\]](https://contact.sra.org.uk/solicitors/standards-regulations/financial-services-conduct-business-rules/)

[SRA Standards and Regulations -](https://contact.sra.org.uk/solicitors/standards-regulations/financial-services-scope-rules/) [https://contact.sra.org.uk/solicitors/standards-regulations/financial-services-scope-rules/]

[SRA Financial Services \(Conduct of Business\) Rules](https://contact.sra.org.uk/solicitors/standards-regulations/financial-services-conduct-business-rules/)  
[https://contact.sra.org.uk/solicitors/standards-regulations/financial-services-conduct-business-rules/]

### Find out how your consumer credit activities need to be regulated

[Download navigation tree \(PDF 1 page, 103KB\)](https://contact.sra.org.uk/globalassets/documents/solicitors/consumer-credit-navigation-tree.pdf)  
[https://contact.sra.org.uk/globalassets/documents/solicitors/consumer-credit-navigation-tree.pdf]

### Are you carrying out a consumer credit activity?



Regulated consumer credit activities are set out in [The Financial Services and Markets Act 2000 \(Regulated Activities\) \(Amendment\) \(No.2\) Order 2013](http://www.legislation.gov.uk/ukdsi/2013/9780111100493) [http://www.legislation.gov.uk/ukdsi/2013/9780111100493] and are also listed in the definition of "credit related activities" in the [SRA Glossary](https://contact.sra.org.uk/solicitors/standards-regulations/glossary/) [https://contact.sra.org.uk/solicitors/standards-regulations/glossary/].

Yes

No

## **Are you carrying on the activity by way of business?**

Yes

No

## **Does the activity relate to an exempt consumer credit agreement or hire agreement?**

See article 60B and 60C to 60H of the [Financial Services and Markets Act 2000 \(Regulated Activities\) \(Amendment\) \(No.2\) Order 2013](http://www.legislation.gov.uk/ukdsi/2013/9780111100493) [http://www.legislation.gov.uk/ukdsi/2013/9780111100493] for further detail.

Yes

No

## **Is the activity excluded by the "contentious business" exclusions?**

Certain consumer credit activities, such as debt collecting, will be excluded from regulation under FSMA where those activities are undertaken by solicitors (or other persons authorised under the Legal Services Act 2007) in the course of providing advocacy services or litigation services. The definition of these services is wider than the previous definition of "contentious business" and therefore would include pre-issue work. See the [Financial Services and Markets Act 2000 \(Miscellaneous Provisions\) Order 2015](http://www.legislation.gov.uk/ukdsi/2015/853/article/3/made) [http://www.legislation.gov.uk/ukdsi/2015/853/article/3/made] for further information.

Yes

No

## **Your activity is not a regulated consumer credit activity.**

## **Is the activity a prohibited activity or do restrictions apply?**



See the [SRA Financial Services \(Scope\) Rules](https://contact.sra.org.uk/solicitors/standards-regulations/financial-services-scope-rules/)

[\[https://contact.sra.org.uk/solicitors/standards-regulations/financial-services-scope-rules/\]](https://contact.sra.org.uk/solicitors/standards-regulations/financial-services-scope-rules/).

Yes

No

## **Are the services being provided in an "incidental manner"?**

Yes

No

## **Are you providing a particular professional service to a particular client, the regulated activities arise out of, or are complementary to, that service?**

Yes

No

You need to be dually authorised by the SRA and FCA.

See the [FCA website](https://www.fca.org.uk/authorisation) [\[https://www.fca.org.uk/authorisation\]](https://www.fca.org.uk/authorisation) for more information.

You will need to comply with the FCA's CONC and cannot rely on Part 20 for other regulated activities

Part 20 exemption applies.

Comply with the SRA Principles, Codes of Conduct, SRA Financial Services (Scope and Conduct of Business) Rules and refer to formal consumer credit guidance.

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## **Resources and help**

[Professional Ethics Guidance team](https://contact.sra.org.uk/home/contact-us/#helplines) [\[https://contact.sra.org.uk/home/contact-us/#helplines\]](https://contact.sra.org.uk/home/contact-us/#helplines) – call our professional ethics advisors for advice on the SRA Standards and Regulations.

[Contact centre](https://contact.sra.org.uk/home/contact-us/) [\[https://contact.sra.org.uk/home/contact-us/\]](https://contact.sra.org.uk/home/contact-us/) – available to help with most queries.

**FCA website** – see [Authorisation of consumer credit firms](https://www.fca.org.uk/firms-sectors/consumer-credit-firm) [\[https://www.fca.org.uk/firms-sectors/consumer-credit-firm\]](https://www.fca.org.uk/firms-sectors/consumer-credit-firm).

[FCA guide \[https://www.fca.org.uk/static/documents/consumer-credit-being-regulated-guide.pdf\]](https://www.fca.org.uk/static/documents/consumer-credit-being-regulated-guide.pdf) for consumer credit firms