



# Financial Guidance and Claims Act 2018

## 2018 CHAPTER 10

An Act to make provision establishing a new financial guidance body (including provision about a debt respite scheme); to make provision about the funding of debt advice in Scotland, Wales and Northern Ireland; to provide a power to make regulations prohibiting unsolicited direct marketing in relation to pensions and other consumer financial products and services; and to make provision about the regulation of claims management services. [10th May 2018]

BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

### PART 1

#### FINANCIAL GUIDANCE ETC

##### *Establishment of the single financial guidance body*

#### **1 The single financial guidance body**

- (1) A body corporate with functions relating to financial guidance is established (the “single financial guidance body”).
- (2) Schedule 1 makes further provision about the single financial guidance body.
- (3) The name of the new body is to be determined by regulations made by the Secretary of State.
- (4) The regulations may—
  - (a) amend any provision of this Part, or of any Act amended by this Part, so as to replace the words “single financial guidance body” with the name of the body;
  - (b) make incidental, supplementary and consequential provision.

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- (5) The power to make regulations under subsection (3) is exercisable by statutory instrument; and an instrument containing such regulations is subject to annulment in pursuance of a resolution of either House of Parliament.
- (6) The consumer financial education body is dissolved.
- (7) Schedule 2 makes provision about schemes for the transfer of staff, property, rights and liabilities—
  - (a) from the Secretary of State and the Pensions Advisory Service Limited to the single financial guidance body;
  - (b) from the consumer financial education body to the single financial guidance body and the devolved authorities.

#### Commencement Information

- I1** S. 1(1)-(5)(7) in force at 1.10.2018 by [S.I. 2018/1029](#), [reg. 2\(a\)](#)
- I2** [S. 1\(6\)](#) in force at 6.4.2021 by [S.I. 2021/433](#), [reg. 2\(a\)](#)

### *Objectives and functions of the single financial guidance body*

## 2 Objectives

- (1) The objectives of the single financial guidance body are—
  - (a) to improve the ability of members of the public to make informed financial decisions,
  - (b) to support the provision of information, guidance and advice in areas where it is lacking,
  - (c) to secure that information, guidance and advice is provided to members of the public in the clearest and most cost-effective way (including having regard to information provided by other organisations),
  - (d) to ensure that information, guidance and advice is available to those most in need of it (and to allocate its resources accordingly), bearing in mind in particular the needs of people in vulnerable circumstances, and
  - (e) to work closely with the devolved authorities as regards the provision of information, guidance and advice to members of the public in Scotland, Wales and Northern Ireland.
- (2) The single financial guidance body must have regard to its objectives when it exercises its functions.
- (3) In this section “information, guidance and advice” means—
  - (a) information and guidance on matters relating to occupational and personal pensions,
  - (b) information and advice on debt, and
  - (c) information and guidance designed to enhance people's understanding and knowledge of financial matters and their ability to manage their own financial affairs.

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### Commencement Information

**I3** S. 2 in force at 1.10.2018 by S.I. 2018/1029, reg. 2(b)

## 3 Functions

- (1) The single financial guidance body has the following functions—
  - (a) the pensions guidance function;
  - (b) the debt advice function;
  - (c) the money guidance function;
  - (d) the consumer protection function;
  - (e) the strategic function.
- (2) The single financial guidance body also has the function of providing—
  - (a) advice and assistance to the Secretary of State on matters relating to the functions listed in subsection (1), and
  - (b) advice to the Secretary of State on the establishment of a debt respite scheme (see section 6).
- (3) The single financial guidance body may do anything that is incidental or conducive to the exercise of its functions.
- (4) The pensions guidance function is to provide, to members of the public, free and impartial information and guidance on matters relating to occupational and personal pensions.
- (5) The debt advice function is to provide, to members of the public in England, free and impartial information and advice on debt.
- (6) The money guidance function is to provide, to members of the public, free and impartial information and guidance designed to enhance people's understanding and knowledge of financial matters and their ability to manage their own financial affairs.
- (7) The consumer protection function is—
  - (a) to notify the FCA where, in the exercise of its other functions, the single financial guidance body becomes aware of practices carried out by FCA-regulated persons (within the meaning of section 139A of the Financial Services and Markets Act 2000) which it considers to be detrimental to consumers, and
  - (b) to consider the effect of unsolicited direct marketing on consumers of financial products and services, and, in particular—
    - (i) from time to time publish an assessment of whether unsolicited direct marketing is, or may be, having a detrimental effect on consumers, and
    - (ii) advise the Secretary of State whether to make regulations under section 22 (unsolicited direct marketing: other consumer financial products etc).
- (8) Where the single financial guidance body provides information, guidance or advice to a person in pursuance of one of the functions mentioned in subsection (1)(a) to (c), it must consider whether the person would benefit from receiving information, guidance

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or advice in pursuance of any other of those functions (and it must ensure that SFGB delivery partners are under a similar duty).

- (9) The strategic function is to develop and co-ordinate a national strategy to improve—
- (a) the financial capability of members of the public,
  - (b) the ability of members of the public to manage debt, and
  - (c) the provision of financial education to children and young people.
- (10) In developing and co-ordinating the national strategy, the single financial guidance body must work with others, such as those in the financial services industry, the devolved authorities and the public and voluntary sectors.

#### Commencement Information

- I4** S. 3(1)(4)-(7)(9) in force at 1.10.2018 for specified purposes by [S.I. 2018/1029, reg. 3](#)
- I5** S. 3(1)(4)-(7)(9) in force at 1.1.2019 in so far as not already in force by [S.I. 2018/1330, reg. 3\(a\)](#)
- I6** S. 3(2)(3) in force at 1.10.2018 by [S.I. 2018/1029, reg. 2\(c\)](#)
- I7** S. 3(8)(10) in force at 1.1.2019 by [S.I. 2018/1330, reg. 2\(a\)](#)

## 4 Specific requirements as to the pensions guidance function

- (1) As part of its pensions guidance function, the single financial guidance body must provide information and guidance for the purposes of helping a member of a pension scheme, or a survivor of a member of a pension scheme, to make decisions about what to do with the flexible benefits that may be provided to the member or survivor.
- (2) In subsection (1)—
- (a) references to a member, or a survivor of a member, of a pension scheme include a member, or a survivor of a member, of a pension scheme for which the PPF has assumed responsibility under Part 2 of the Pensions Act 2004 or Part 3 of the Pensions (Northern Ireland) Order 2005 (S.I. 2005/255 (N.I. 1)), but
  - (b) in relation to such a member or survivor, the reference to the flexible benefits that may be provided is to be read as a reference to the money purchase benefits that may be provided by the PPF by virtue of sections 161 and 170 of that Act or Articles 145 and 154 of that Order.
- (3) In this section—
- “flexible benefit” has the meaning given by section 74 of the Pension Schemes Act 2015;
- “money purchase benefits”—
- (a) in relation to England and Wales and Scotland, has the meaning given by section 181(1) of the Pension Schemes Act 1993, and
  - (b) in relation to Northern Ireland, has the meaning given by section 176(1) of the Pension Schemes (Northern Ireland) Act 1993;
- “pension scheme” has the meaning given by section 1(5) of the Pension Schemes Act 1993;
- “PPF” means the Board of the Pension Protection Fund;
- “survivor” has the meaning given by section 76(1) of the Pension Schemes Act 2015.

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#### Commencement Information

**18** S. 4 in force at 1.1.2019 by [S.I. 2018/1330](#), [reg. 2\(b\)](#)

### [<sup>F1</sup>4A] Specific functions included in the pensions guidance function

- (1) The single financial guidance body must provide a pensions dashboard service by means of which—
  - (a) information that the trustees or managers of a relevant occupational pension scheme are required to provide by—
    - (i) regulations under section 238D(1)(a)(ii) of the Pensions Act 2004, or
    - (ii) regulations under Article 215D(1)(a)(ii) of the Pensions (Northern Ireland) Order 2005 (S.I. 2005/255 (N.I. 1)), and
  - (b) information that specified authorised persons are required to provide by general rules under section 137FAA(1)(a)(ii) of the Financial Services and Markets Act 2000,  
may be requested by, and provided to, an individual or a person authorised by the individual.
- (2) The single financial guidance body may, by means of its pensions dashboard service, provide information about—
  - (a) state pensions,
  - (b) basic and additional retirement pensions, and
  - (c) state pension information relating to an individual.
- (3) The single financial guidance body may carry out other functions relating to pensions dashboard services, including functions for which provision is made by—
  - (a) regulations under section 238A of the Pensions Act 2004 or Article 215A of the Pensions (Northern Ireland) Order 2005 (qualifying pensions dashboard services),
  - (b) regulations under section 238D of the Pensions Act 2004 or Article 215D of the Pensions (Northern Ireland) Order 2005 (information from occupational pension schemes), or
  - (c) general rules under section 137FAA of the Financial Services and Markets Act 2000 (information from personal or stakeholder pension schemes).
- (4) The functions of the single financial guidance body referred to in subsections (1) to (3) are part of its pensions guidance function.
- (5) Subsections (1) to (4) are without prejudice to sections 3(4) and (8) and 4.
- (6) In this section—

“pensions dashboard service” means—

  - (a) a pensions dashboard service within the meaning of section 238A of the Pensions Act 2004, or
  - (b) a pensions dashboard service within the meaning of Article 215A of the Pensions (Northern Ireland) Order 2005 (S.I. 2005/255 (N.I. 1));

“relevant occupational pension scheme” has the meaning given by—

  - (a) section 238F of the Pensions Act 2004, in relation to England and Wales and Scotland, and