Draft Regulations laid before Parliament under section 206(5) of the Legal Services Act 2007, for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2014 No.

LEGAL SERVICES, ENGLAND AND WALES

The Legal Services Act 2007 (Claims Management Complaints) (Fees) Regulations 2014

Made - - - - ***

Coming into force - - *28th January 2015*

The Lord Chancellor makes the following Regulations in exercise of the power conferred by sections 174A(3) and (5) and 204(3)(b) and (e) of the Legal Services Act 2007(**1**).

A draft of this instrument has been laid before Parliament in accordance with section 206(5) of that Act(**2**) and approved by a resolution of each House of Parliament.

Citation and commencement

1. These Regulations may be cited as the Legal Services Act 2007 (Claims Management Complaints) (Fees) Regulations 2014 and come into force on 28th January 2015.

Interpretation

2. In these Regulations—

"the 2006 Act" means the Compensation Act 2006(**3**);

"the 2006 Regulations" means the Compensation (Claims Management Services) Regulations 2006(**4**);

"annual regulation fee" means the fee payable under regulation 15 of the 2006 Regulations;

(**1**) 2007 c. 29. Section 174A was inserted by section 140 of the Financial Services (Banking Reform) Act 2013 (c. 33).
(**2**) Section 206(4) was amended to refer to section 174A by section 140 of the Financial Services (Banking Reform) Act 2013.
(**3**) 2006 c. 29.
(**4**) S.I. 2006/3322. Regulation 15(2) provides that, by virtue of a written instrument made under that regulation, the fee payable to the Regulator may be calculated by reference to the annual turnover or expected annual turnover of the business of the authorised person. The current fees determination made under regulation 15(2) is available at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/310912/CMR-fees-determination-2014-2015.pdf and from the Ministry of Justice, Claims Management Regulation Unit, 102 Petty France, London SW1H 9AJ.

"annual turnover", in relation to an authorised person, means the annual turnover or estimated annual turnover of the business of that authorised person which has been used to determine the annual regulation fee;

"authorisation" means an authorisation to provide regulated claims management services under the 2006 Act;

"authorised person" has the same meaning as in section 4 of the 2006 Act;

"business day" means any day other than a Saturday, Sunday, Christmas Day, Good Friday or a day which is a bank holiday in England and Wales under the Banking and Financial Dealings Act 1971(**5**);

"complaints fee" means the fee in respect of relevant OLC expenditure calculated in accordance with the Schedule;

"complaints handling year" means the period of 12 months beginning with 1st April 2015 ("the first complaints handling year") and each subsequent period of 12 months that begins with 1st April;

"OLC" means the Office for Legal Complaints, as established by section 114 of the Legal Services Act 2007 (the Office for Legal Complaints);

"Regulator" has the same meaning as in section 14 of the 2006 Act;

"Regulator's Fee Determination 2014-2015" means the determination of fees for the period of 12 months beginning with 1st April 2014 and made by the Regulator in accordance with regulation 15 of the 2006 Regulations(**6**).

Complaints fee payable to the Lord Chancellor

3. A complaints fee calculated in accordance with the Schedule is payable by an authorised person to the Lord Chancellor—

(a) for each complaints handling year or part of a complaints handling year in which that person holds an authorisation; and

(b) for the period beginning with 28th January 2015 and ending with 31st March 2015, if that person holds an authorisation in relation to the whole or any part of that period.

Collection of the complaints fee

4. The person exercising functions of the Regulator under section 5(9) of the 2006 Act may collect the complaints fee payable to the Lord Chancellor.

Date for payment of the complaints fee

5.—(1) Subject to paragraph (3), the complaints fee for—

(a) the period from 28th January 2015 to 31st March 2015; and

(b) the first complaints handling year,

is payable by 31st March 2015.

(2) Subject to paragraph (3), the complaints fee for every complaints handling year other than the first is payable by 31st March preceding the start of that complaints handling year.

(**5**) 1971 c. 80.

(**6**) The Regulator's Fee Determination 2014-2015 is available at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/310912/CMR-fees-determination-2014-2015.pdf and from the Ministry of Justice, Claims Management Regulation Unit, 102 Petty France, London SW1H 9AJ.

(3) If the complaints fee is calculated in accordance with paragraph 2 or 4 of the Schedule, the fee is payable by the date specified by the Regulator.

Cancellation or suspension for non-payment of complaints fee

6. Subject to regulation 7, if the authorised person does not pay the complaints fee by the date specified in regulation 5, the Regulator may—

(a) cancel the authorised person's authorisation; or

(b) suspend the authorised person's authorisation for a period.

Procedure for cancellation or suspension for non-payment of complaints fee

7.—(1) Before cancelling or suspending an authorised person's authorisation under regulation 6, the Regulator must give written notice to the authorised person—

(a) stating that the Regulator proposes to cancel or suspend the authorisation, as appropriate;

(b) in the case of suspension, setting out the period of the suspension and circumstances in which it will be lifted;

(c) setting out the reasons for the Regulator's decision;

(d) inviting the authorised person to make a written submission in relation to the proposed cancellation or suspension; and

(e) specifying a reasonable period within which the authorised person may make any submissions.

(2) Before cancelling or suspending the authorisation, the Regulator must take into account any submission made by the authorised person within the period allowed (or any further period allowed by the Regulator).

(3) If the Regulator decides to cancel or suspend an authorised person's authorisation, the Regulator must give written notice to the authorised person of the cancellation or suspension.

(4) A notice served under paragraph (3) must specify the day from which the cancellation or suspension takes effect.

Payment by cheque

8. If the Regulator accepts a cheque in payment of a complaints fee, the fee is not taken to have been paid until the cheque is honoured in full.

Notice requirements

9. If a notice required to be given under these Regulations is given by means of fax transmission or an electronic communication, the notice is taken to have been given on the business day following the day on which the fax or electronic communication was sent.