

<b>To:</b>	Legal Services Board	
<b>Date of Meeting:</b>	28 February 2019	<b>Item:</b> Paper (19) 10

<b>Title:</b>	OLC Scheme Rules – claims management companies changes	
<b>Workstreams:</b>	Performance, Evaluation and Oversight	
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<b>Status:</b>	Official	

### Summary:

This paper asks the Board to consent to proposals by the OLC to amend its Scheme Rules. These changes are mandated by primary legislation (the Financial Guidance Claims Act 2018) through which Parliament sanctioned the transfer of the regulation of Claims Management Companies (CMCs) from the Ministry of Justice (MoJ) to the Financial Conduct Authority (FCA). The OLC Scheme Rules need to therefore be updated to remove all mention of CMCs, their current regulator, and the ability of LeO to accept complaints about them.

The OLC is seeking to remove the mention of CMCs from eleven different paragraphs in the Scheme Rules and the removal of two footnotes. Where necessary, they have added in connecting words where appropriate to ensure that the rules still make sense.

The application does not propose any other substantive changes to the Rules. The OLC's proposal has been assessed against the approval criteria previously established by the Board for considering Scheme Rules changes and, in the executive's view, it meets those criteria.

### Recommendations:

Given the nature of the changes proposed by the OLC, we consider that the information provided in its application at Annex A meets the needs of the non-statutory approval criteria, as agreed by the Board in 2009.

The Board is invited:

- (1) to **review** the proposed Scheme Rules changes against the approval criteria as a matter reserved to the Board; and
- (2) to **consent** to the changes to OLC Scheme Rules.

### Risks and mitigations

**Financial:** N/A

**Legal:**

[Redacted content]

<b>Reputational:</b>	N/A
<b>Resource:</b>	N/A

Consultation	Yes	No	Who / why?
<b>Board Members:</b>		<b>N</b>	
<b>Consumer Panel:</b>	<b>Y</b>		The OLC engaged in direct consultation with the Panel during the preparation of the amendments. Support for the changes has been given by the Panel by way of an informal consultation.
<b>Others:</b>			In order to fulfil statutory obligations under section 205 of the LSA 2007, a draft copy of the changes was published on LeO's website for a period of representations, which ran from 2-30 January 2019. The covering document included a short explanation of the reasoning behind the proposals and the remit of the changes, draft changes to the rules, and a request for comments from stakeholders. Key stakeholders were informed of the changes at a meeting of the Regulators' Forum in January 2018. No written or verbal responses were received.

<b>Freedom of Information Act 2000 (Fol)</b>		
Para ref	Fol exemption and summary	Expires
Risks and mitigations: Legal	Section 42: information subject to legal professional privilege	

15.02.19