



Department for
Business, Energy
& Industrial Strategy

BUSINESS IMPACT TARGET

Non-qualifying Regulatory Provisions
(NQRP)



Regulator: Claims Management Regulation (CMR) Unit

Business Impact Target Reporting Period Covered: 9 June 2017 to 20 June 2018

Excluded Category*	Summary of measure(s), including any impact data where available
<p>Measures certified as being below de minimis (measures with an equivalent annual net direct cost to business (EANDCB) below +/- £5 million)</p>	<p>The CMR Unit made rule changes as part of the new Conduct of Authorised Persons Rules 2018 implemented on 1 April 2018 (see guidance note which details the changes). The Business Impact Target (BIT) assessment of these changes confirmed them to be non-qualifying due to falling below the £5million threshold. Summary of measures:</p> <p><u>Ban on charges where it is identified that the client does not have a relationship or relevant policy</u></p> <ul style="list-style-type: none"> This rule change should have minimum impact on the current market beyond familiarisation cost. Costs were estimated at £134,000 with BIT score of 0.1, thus non-qualifying. <p><u>Ban on upfront fees</u></p> <ul style="list-style-type: none"> This rule change puts a stop to business charging upfront fees (UFFs) for Payment Protection Insurance (PPI) claims. CMR analysis suggests only 2 businesses were still charging UFFs for PPI claims up until 31 March 2018. The effect of this rule change does not impact the other 469 PPI Claims Management Companies (CMCs), as such has a small impact on the wider industry. BIT assessment suggests costs of £1million. Giving a BIT score of 0.9, thus non-qualifying. <p><u>Requirement for reasonable cancellation charges and itemised bills</u></p> <ul style="list-style-type: none"> A BIT assessment on the requirement for businesses to offer itemised bills on cancellation assumed that, if all large firms would purchase new software the cost to industry is estimated at £2million. CMR assumed smaller business would simply produce itemised bills manually when required. The assessment for this rule change had a total cost to industry of £2.4million with a BIT score of 2.1 thus non-qualifying. <p><u>Amendment to Client Specific Rule 11</u></p> <ul style="list-style-type: none"> This rule change is assessed as only requiring familiarisation costs and be non-qualifying. <p><u>Technical changes to the rules</u></p> <ul style="list-style-type: none"> These rules changes are technical changes that reference other acts or regulation. As such this would only require familiarisation costs and be non-qualifying.
<p>Fines and Penalties</p>	<p>In this reporting period CMR issued 5 financial penalties totalling £272,450.</p>

Excluded Category*	Summary of measure(s), including any impact data where available		
Casework		1 May 16 to 30 April 17	9 June 17 to 20 June 18
	investigations started	64	32
	licences cancelled	67	45
	warnings issued	194	228
	audits carried out	372	365
	visits conducted	881	435
	consumer contacts	4774	3357
	<p>No activities listed in this section represent a change in the burden of regulation placed on business, except where these result from a separate qualifying regulatory provision that has been assessed.</p> <p>The previous year's figures are included. This demonstrates there has been a change in the number of cases dealt with compared to previous reporting years. This is predominantly due to a continued fall in the number of regulated businesses. There has been a slight shift in focus for the unit. More warnings have been issued, but fewer licences cancelled and the unit has engaged in fewer formal investigations.</p>		
Education, communications and promotion	We publish a CMR Annual Report; updated CMR website with information as needed; issued regular quarterly business bulletins; held regular quarterly stakeholder group meetings; and provided media lines in response to press/media enquiries and articles etc.		
Activity related to policy development	Briefed ministers on various CMR topics as needed relating to PQs debates etc. We conducted policy reviews on the level of fees business should charge customers; level of fees business pays for authorisation and issued consultation papers on those topics. Also took part of policy reviews to tackle nuisance/cold calling and fraudulent personal injury claims (e.g. whiplash) via various Government task force/groups.		
Changes to management of regulator	A fundamental review of CMR has been undertaken which will result in a different CMR regime and regulator. The legislation is currently in process. These changes require a significant amount of work together with primary legislation and have been given a provisional completion date of April 2019.		

* For full, legal definitions of these exclusion categories, please see

<https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2018-06-20/HCWS776/>