

Claims Management Regulation Rule Changes

Full prohibition on Inducements (CMR Rules Review Phase One – Implemented on 1 April 2013)

Current Wording		Revised Wording
<p>Client Specific Rule 6 (b) In soliciting business through advertising, marketing and other means a business must not offer a immediate cash payment or similar benefit as an inducement for making a claim.</p>	↑	<p>Client Specific Rule 6 (b) In soliciting business through advertising, marketing and other means a business must not offer any cash payment or similar benefit as an inducement for making a claim.</p>

Further proposed main amendments to the Conduct of Authorised Persons Rules (CMR Rules Review Phase 2 – Implementation: 8 July 2013)

Current Wording		Revised Wording
<p>Client Specific Rule 6 (d) If a business wishes to mention in advertising and marketing material that it is authorised it may use only the following words which must be used in their entirety: “Regulated by the Ministry of Justice in respect of regulated claims management activities”</p>	↑	<p>Client Specific Rule 6 (d) If a business wishes to mention in advertising and marketing material that it is authorised it may use only the following words which must be used in their entirety: “Regulated by the Claims Management Regulator in respect of regulated claims management activities”</p>
<p>Client Specific Rule 11 A business must provide the client with the following information in writing or electronically before a contract is agreed...</p>	↑	<p>Client Specific Rule 11 A contract between a business and a client must be signed by the client, and the business may not take any payment from the client until the contract is signed. The standard terms and conditions of any contract must be clear and also published prominently on the business’s website (where a business operates a website). The business must provide the following information in writing or electronically before a contract is signed:</p>
<p>Client Specific Rule 18 A business must keep the client informed of the progress of the claim, including any significant changes to costs that the client may have to meet, and must forward any relevant information received from the client without delay</p>	↑	<p>Client Specific Rule 18 A business must keep the client informed of the progress of the claim, including any significant changes to costs that the client may have to meet, and must inform the client of any suspension or variation of the business’s authorisation within 14 days of any imposition of such action. It must forward any relevant information received from the client without delay</p>

Technical Amendments to the Conduct of Authorised Persons Rules
(CMR Rules Review Phase 2 – Implementation: July 2013)

Current Wording	Proposed Wording
<p>Definitions</p> <p>In these Rules – [Explanations of the terms ‘Business’ and ‘Exempt Introducer’]</p>	<p>Definitions</p> <p>In these Rules – [Explanations of the terms ‘Business’ and ‘Exempt Introducer’] “Client” means any <u>prospective OR existing</u> client of a business</p>
<p>General Rule 7</p> <p>A business <i>shall maintain professional indemnity insurance in accordance with any rules made by the Regulator. (There are currently no additional rules but it is expected that rules will be consulted on and made by summer 2007.)</i></p>	<p>General Rule 7</p> <p>A business that provides representation in personal injury claims (whether in writing or orally, and regardless of the tribunal, body or person to or before which or whom the representation is made) must take out and maintain professional indemnity insurance in accordance with Regulations 21 (a) & (b) of the Compensation (Claims Management Services) (Amendment) Regulations 2008.</p>
<p>General Rule 12</p> <p>A business shall comply with the Regulator’s disciplinary arrangements and shall comply with decisions of the Regulator subject to the right of appeal to the <i>Claims Management Services Tribunal</i>, and of the Tribunal.</p>	<p>General Rule 12</p> <p>A business shall comply with the Regulator’s disciplinary arrangements and shall comply with decisions of the Regulator subject to the right of appeal to the <i>First-Tier Tribunal (Claims Management Services)</i>, and of the Tribunal</p>
<p>General Rule 18 (b)</p> <p>Where a business accepts introductions from exempt introducers it shall be responsible for ensuring that the exempt introducers <i>comply with the client specific rules on advertising, marketing and soliciting business.</i></p>	<p>General Rule 18 (b)</p> <p>Where a business accepts introductions from exempt introducers it shall be responsible for ensuring that the exempt introducers <i>do not undertake any activity that, if carried out by a regulated person, would breach the client specific rules on advertising, marketing and soliciting business.</i></p>
<p>General Rule 19</p> <p>Where the Regulator suspends, <i> Cancels</i> or imposes conditions on the authorisation of a business such that it may no longer provide regulated claims management services, the business must comply with directions of the Regulator on giving notice to clients.</p>	<p>General Rule 19</p> <p>Where the Regulator suspends, or imposes conditions on the authorisation of a business such that it may no longer provide regulated claims management services, the business must comply with directions of the Regulator on giving notice to clients.</p>

Current Wording		Proposed Wording
<p>Client Specific Rule 1 (e) A business shall, where advice is given, advise the client unambiguously of ombudsman schemes or other official means of obtaining redress</p>	↑	<p>Removal of rule – to be merged with CSR 10.</p>
<p>Client Specific Rule 2 All advertising, marketing and other soliciting of business must conform to the relevant code – <i>The British Code of Advertising, Sales Promotion and Direct Marketing (the CAP Code)</i> <i>The BCAP Television Advertising Standards Code</i> <i>The BCAP Radio Advertising Standards code</i> <i>The BCAP Code for Text Services.</i></p>	↑	<p>Client Specific Rule 2 All advertising, marketing and other soliciting of business must conform to the relevant code – The UK Code of Non-broadcast Advertising, Sales Promotion and Direct Marketing (CAP Code); or The UK Code of Broadcast Advertising (BCAP Code)</p>
<p>Client Specific Rule 2 -Guidance Statement For the purposes of this rule <i>a business's website shall be deemed to constitute advertising, and must comply with the CAP Code.</i></p>	↑	<p>Client Specific Rule 2 – Guidance Statement For the purposes of this rule, <i>marketing communications on a business's website that are connected with the supply or transfer of goods, services, opportunities and gifts shall be deemed to constitute advertising, and must comply with the CAP Code.</i> These codes are accessible at www.cap.org.uk/advertising-codes.aspx</p>
<p>Client Specific Rule 10 Before seeking to enter into a contract with a client a business must make reasonable enquiries as to whether the client has alternative mechanisms for pursuing a claim.</p>	↑	<p>Client Specific Rule 10 Before seeking to enter into a contract with a client a business must make reasonable enquiries as to whether the client has alternative mechanisms for pursuing a claim and must advise the client unambiguously of ombudsman schemes or other official means of redress.</p>
<p>Client Specific Rule 11 (k) A business must provide information on how the client may cancel the contract and the consequences of cancellation including the reimbursement of any costs paid during the cancellation period and any <i>costs or penalty that has to be paid</i> after the 14 day cooling off period.</p>	↑	<p>Client Specific Rule 11 (k) A business must provide information on how the client may cancel the contract and the consequences of cancellation including the reimbursement of any costs paid during the cancellation period and any charges for work completed after the 14-day cooling off period.</p>

Current Wording		Proposed Wording
<p>Client Specific Rule 11 (I) A business must provide the client with the following information in writing or electronically before a contract is agreed-</p> <p>(I) The statement that the business is “regulated by the Ministry of Justice in respect of regulated claims management activities” and the authorisation number of the business. This requirement applies one month after the date of authorisation of the business.</p>	↑	<p>Client Specific Rule 11 (I) A contract between a business and a client must be signed by the client, and the business may not take any payment from the client until the contract is signed. The standard terms and conditions of any contract must be clear and also published prominently on the business’s website (where a business operates a website). The business must provide the following information in writing or electronically before a contract is signed:</p> <p>(I) The statement that the business is “regulated by the Claims Management Regulator in respect of regulated claims management activities” and the authorisation number of the business. This requirement applies one month after the date of authorisation of the business.</p>
<p>Client Specific Rule 12 Where a claim is one that falls within the province of the Criminal Injuries Compensation Authority, the Financial Ombudsman Service, the Housing Ombudsman Service or any other recognised dispute resolution procedure, the business must not suggest that a claimant will have a more favourable outcome if he uses the services of the business.</p>	↑	<p>Client Specific Rule 12 Where a claim is one that falls within the province of the Criminal Injuries Compensation Authority, the Financial Ombudsman Service, Financial Services Compensation Scheme, the Housing Ombudsman Service or any other recognised dispute resolution procedure, the business must not suggest that a claimant will have a more favourable outcome if he uses the services of the business.</p>
<p>Representing a client – Guidance Statement This section only applies where a business has a contractual relationship with a client and also represents a client in making a claim. It does not apply where a case is passed to a solicitor or other legal professional</p>	↑	<p>This section does not apply where a business only refers cases on to a solicitor or other legal professional.</p>