

News

New rules on fees in financial mis-selling work

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Our new rules that restrict fee-charging when firms make compensation claims for mis-sold financial products came into effect on 26 July.

We have an obligation under the Financial Guidance and Claims Act 2018 to make rules that prevent excessive fees being charged for claims management activities connected to financial products or services. We published a [discussion paper \[https://jobs.sra.org.uk/sra/consultations/discussion-papers/restricting-fees-for-some-claims-management-services/\]](https://jobs.sra.org.uk/sra/consultations/discussion-papers/restricting-fees-for-some-claims-management-services/) in 2021, which set out our proposed approach, which was to closely align any new rules to those of the Financial Conduct Authority (FCA), which regulates the vast majority of this sector.

Once the FCA approved their rules, we [consulted \[https://jobs.sra.org.uk/sra/consultations/consultation-listing/excessive-charges-financial-claims/?s=0\]](https://jobs.sra.org.uk/sra/consultations/consultation-listing/excessive-charges-financial-claims/?s=0) on our new rules last spring, as well as meeting with stakeholders in this area, such as claimant firms representatives and consumer groups. The rules were approved by the Legal Services Board in June and are now part of our Standards and Regulations.

If your firm represents clients during financial service claims, then there are maximum charges in place for claim representation progressed through financial service redress schemes.

Further information is in [our updated guidance claims management activity \[https://jobs.sra.org.uk/solicitors/guidance/claims-management-activity/\]](https://jobs.sra.org.uk/solicitors/guidance/claims-management-activity/).