

STATES OF JERSEY



DRAFT FINANCIAL SERVICES (JERSEY) AMENDMENT LAW 202- (P.41/2025) – CHILDREN’S RIGHTS IMPACT ASSESSMENT

**Presented to the States on 23rd May 2025
by the Minister for External Relations**

STATES GREFFE

CHILDREN'S RIGHTS IMPACT ASSESSMENT (CRIA)

PART 1: SCREENING

Name and title of Duty Bearer:	Deputy Ian Gorst - Minister for External Relations with responsibility for Financial Services
Type of Duty Bearer: (Minister, Elected Member or States Assembly Body)	Ministerial
Assessment completed by (if not completed by duty bearer):	Senior Policy Advisor, Financial & Professional Services Unit
Date:	13 May 2025

1) Name and brief description of the proposed decision

The subject of your CRIA may be a proposed law, policy or proposition and in accordance with the Law is referred to in this template as the '**decision**'

- What is the problem or issue the decision is trying to address?
- Do children experience this problem differently from adults?

Proposed amendments to the Financial Services (Jersey) Law 1998 ("Financial Services Law") by way of the Draft Financial Services (Jersey) Amendment Law 202- introducing the regulation of consumer credit business. The draft Law will bring into scope for regulation by the Jersey Financial Services Commission ("JFSC") a new form of business, "consumer credit business" whereby the JFSC supervises secured and unsecured lending to consumers. The draft Law will include a regulation making power under which it is intended that regulations will be issued providing basic forms of protection for consumers who enter into credit where the activity is exempted from JFSC supervision. These basic protections will be supervised by Trading Standards.

As a consequential amendment to the Financial Service Law, the Loi (1880) sur la propriété foncière ("1880 Loi") will also be amended. The process of dégrèvement involves removing encumbrances (usually hypothecs – often referred to as a mortgage) from immoveable property, typically transferring the property to a creditor who may retain or sell it to recover sums due.

The amendments to the 1880 Loi aim to modernise and align this process with the consumer credit regime and equivalent procedures in Guernsey and the UK to ensure that the means for removing encumbrances from immoveable property is fair and transparent.

The Royal Court is given discretion to require any surplus from the sale of the property to be paid to the debtor or into court, helping to protect both the debtor's and creditor's interests where there is expected to be a windfall gain for the tenant from a dégrèvement. It will also ensure the best price is achieved in the circumstances avoiding undervalue transactions.

Where a child may be under the care of a parent or legal guardian who enters into a mortgage over a

home in which the child may also reside, the changes to the 1880 Loi mean that, whilst there may be indirect impacts on a child, the child will not be treated any differently from adults.
<p>2) Which groups of children and young people are likely to be affected? Groups of children could include early years, primary or secondary education; young adults; children with additional learning needs; disabled children; children living in poverty; children from particular ethnic backgrounds; migrants; refugees; care experienced children and LGBTQ+ children</p>
Any child who lives with their parent or legal guardian who enters into a consumer credit agreement in which the primary residential in Jersey home is used as security for the loan (i.e. a mortgage) might be affected.
<p>3) What is the likely impact of the proposed decision on children and on their rights?</p> <ul style="list-style-type: none"> • Identify any potential positive OR negative impacts and include indirect impacts on children and their rights as described in the UNCRC • Will different groups of children be affected differently by this decision?
<p>A child has a right to be protected from arbitrary or unlawful interference with his or her home (Art 16).</p> <p>The impact of the consumer credit legislation on children may be indirectly positive but in a way that is not different to adults. Amendments to the legal procedure to enforce recovery of the family home over which security is given and defaulted on will be amended to ensure that any surplus (if such surplus exists) resulting from the sale of the family home returns to the borrower (i.e. the parent or legal guardian).</p> <p>Groups of children will not be affected differently.</p>
<p>4) Is a full Children's Rights Impact Assessment required? If you have identified impacts on children and their rights, a full CRIA should be completed. If no impacts are identified then a Full CRIA is not required, but please explain your rationale and how you reached this conclusion</p>
No – for the reasons set out in 1) and 3) above.