
FINAL NOTICE

BN1 Cars Ltd
Hove

22 March 2016

ACTION

1. By an application dated 15 May 2015, BN1 Cars Ltd ('BN1 Cars') applied under section 55A of the Financial Services and Markets Act 2000 ('the Act') for Part 4A permission to carry on the regulated activities of;
 - a. Limited Permission Credit Broking;
 - b. Debt Adjusting (limited to the relevant credit activity); and
 - c. Debt Counselling (limited to the relevant credit activity).
2. The Application is incomplete.
3. For the reasons listed below, the Authority has refused the Application.

SUMMARY OF REASONS

4. By its Warning Notice dated 7 January 2016 ('the Warning Notice') the Authority gave notice that it proposed to refuse the Application and that BN1 Cars was entitled to make representations to the Authority about that proposed action.

5. As no representations have been received by the Authority from BN1 Cars within the time allowed by the Warning Notice, the default procedures in paragraph 2.3.2 of the Authority's Decision Procedure and Penalties Manual apply, permitting the Authority to treat the matters referred to in its Warning Notice as undisputed and, accordingly, to give a Decision Notice.
6. By its Decision Notice dated 10 February 2016 ('the Decision Notice'), the Authority gave BN1 Cars notice that it had decided to take the action described above.
7. BN1 Cars had 28 days from the date the Decision Notice was given to refer the matter to the Upper Tribunal (formerly known as the Financial Services and Markets Tribunal). No referral was made to the Upper Tribunal within this period of time or to date.
8. Under section 390(1) of the Act, the Authority, having decided to refuse the Application and there having been no reference of that decision to the Tribunal, must give BN1 Cars Final Notice of its refusal.
9. The Authority decided to refuse the Application and to give this Final Notice as BN1 Cars has failed to provide the information required by the Authority and, in the absence of the information sought, the Authority cannot ensure that BN1 Cars will satisfy, and continue to satisfy, the threshold conditions set out in Schedule 6 of the Act.

DEFINITIONS

10. The definitions below are used in this Final Notice.

"the Act" means the Financial Services and Markets Act 2000

"the Application" means the application referred to in paragraph 1 above

"the Authority" means the body corporate previously known as the Financial Services Authority and renamed on 1 April 2013 as the Financial Conduct Authority

"the RTC" means the Authority's Regulatory Transactions Committee.

"the Tribunal" means the Upper Tribunal (Tax & Chancery Chamber).

FACTS AND MATTERS

11. The Application was received by the Authority on 15 May 2015.

12. Further information was requested from BN1 Cars under section 55U(5) of the Act. Details of all the communications between the Authority and BN1 Cars are set out below:

- a. On 24 July 2015, BN1 Cars was asked to provide the following information in support of the Application by 31 July 2015:
 - i. Confirmation of the firm's estimated consumer credit income;
 - ii. A completed controller form for Sunny Hall; and
 - iii. Confirmation of what Kristian Meadows' role is at BN1 Cars.
- b. The Authority had not received a response, so chased this information by email on 31 July 2014. After a further week, the Authority had still not received a response to its request for information.

- c. On 12 August 2015, the Authority emailed BN1 Cars informing it that a failure to provide the outstanding information would result in the Application being determined based upon the information received to date, and that this might result in a recommendation to the RTC that it issue BN1 Cars with a Warning Notice proposing to refuse the Application. No response was received to this letter by the stated deadline of 19 August 2015.
- d. On 19 August 2015 the Authority emailed BN1 Cars and extended the deadline to 26 August 2015 to give BN1 Cars a further five working days to respond. No response was received to this email by the stated deadline of 26 August 2015.
- e. On 27 August 2015 the Authority wrote to BN1 Cars at three different addresses. The letter noted the lack of a response to the Authority's previous emails between 24 July 2015 and 12 August 2015, and reiterated that a failure to provide the outstanding information would result in the Application being determined based upon the information received to date. The letter again noted that a failure to reply might result in a recommendation to the RTC that it issue BN1 Cars a Warning Notice proposing to refuse the Application. The letter was sent by Special Delivery, and following responses were received from the various addresses:
- i. BN2 7GA – returned as “addressee unknown”.
 - ii. BN45 7EE – returned by Shahram Moallemi & Co (BN1 Cars' accountants) stating the correct address for BN1 Cars is [REDACTED].
 - iii. BN1 4QJ – signed for by “Meadows” on 28 August 2015 at 10.07am.
- f. On 27 August 2015, BN1 Cars emailed the Authority stating “Sorry I be been away, I'm not sure what you need. Please let me know again and I'll get all information over to you.” An email response was sent to BN1 Cars on the same day confirming the information required. No response was received to the email or letter by the stated deadline of 10 September 2015.
- g. On 16 September 2015, the Authority wrote to BN1 Cars at two addresses, noting a lack of response to its previous emails and/or letters of 24 July 2015, 31 July 2015, 12 August 2015 and 27 August 2015. The letter also reiterated that a failure to provide the outstanding information would result in the Application being determined based upon the information received to date. The letter again noted that this might result in a recommendation to the FCA's RTC that it issue BN1 Cars with a Warning Notice proposing to refuse the Application. The following responses were received from the various addresses:
- i. BN1 4QJ – returned as “addressee unknown”.
 - ii. [REDACTED] – signed for by “Meadows” on 17 September 2015 at 10.55am. No response was received to this letter by the stated deadline of 30 September 2015.
- h. On 7 January 2016, the Authority issued the Warning Notice to BN1 Cars. The Authority did not receive any response within the given timeframes.
- i. On 10 February 2016, the Authority issued a Decision Notice to BN1 Cars.
- j. On 11 February 2016, the Authority received a returned Warning Notice for BN1 Cars as “not called for”.

13. The Authority received no substantive response to any of the communications set out above. The information provided by BN1 Cars in the Application and in these communications has been insufficient to enable the Authority to determine the Application.

IMPACT ON THRESHOLD CONDITIONS

14. The regulatory provisions relevant to this Final Notice are referred to in Annex A.

15. On the basis of the facts and matters described above, in particular the failure to provide the information sought, the Authority has concluded that it cannot ensure that BN1 Cars will satisfy, and continue to satisfy, the threshold conditions in relation to all of the regulated activities for which BN1 Cars would have permission if the application was granted.

IMPORTANT NOTICES

16. This Final Notice is given under section 390(1) of the Act.

Publication

17. Sections 391(4), 391(6) and 391(7) of the Act apply to the publication of information about the matter to which this Notice relates. Under those provisions, the Authority must publish such information about the matter to which this Notice relates as the Authority considers appropriate. The information may be published in such manner as the Authority considers appropriate. However, the Authority may not publish information if such publication would, in the opinion of the Authority, be unfair to you or prejudicial to the interests of consumers or detrimental to the stability of the UK financial system.

18. The Authority intends to publish such information about the matter to which this Final Notice relates as it considers appropriate.

Authority contacts

19. For more information concerning this matter generally, contact James O'Connell, Manager, Credit Authorisations Division at the Authority (direct line: 020 7066 0228 / email: james.oconnell@fca.org.uk).

Nicholas Mears
on behalf of the Regulatory Transactions Committee

ANNEX A – REGULATORY PROVISIONS RELEVANT TO THIS FINAL NOTICE

Relevant Statutory Provisions

1. Section 55A(1) of the Act provides for an application for permission to carry on one or more regulated activities to be made to the appropriate regulator. Section 55A(2) defines the “appropriate regulator” for different applications.
2. Section 55B(3) of the Act provides that, in giving or varying permission, imposing or varying a requirement, or giving consent, under any provision of Part 4A of the Act, each regulator must ensure that the person concerned will satisfy, and continue to satisfy, in relation to all of the regulated activities for which the person has or will have permission, the threshold conditions for which that regulator is responsible.
3. The threshold conditions are set out in schedule 6 of the Act. In brief, the threshold conditions relate to:
 - (1) Threshold condition 2B: Location of offices
 - (2) Threshold condition 2C: Effective supervision
 - (3) Threshold condition 2D: Appropriate resources
 - (4) Threshold condition 2E: Suitability
 - (5) Threshold condition 2F: Business model

Relevant provisions of the Authority’s Handbook

4. In exercising its powers in relation to the granting of a Part 4A permission, the Authority must have regard to guidance published in the Authority Handbook, including the part titled Threshold Conditions (“COND”). The main considerations in relation to the action specified are set out below.

Threshold condition 2C: Effective Supervision

5. COND 2.3.3G states that, in assessing the threshold condition set out in paragraph 2C of Schedule 6 to the Act, factors which the Authority will take into consideration include, among other things, whether it is likely that the Authority will receive adequate information from the firm to determine whether they are complying with the requirements and standards under the regulatory system for which the Authority is responsible and to identify and assess the impact on its statutory objectives; this will include consideration of whether the firm is ready, willing and organised to comply with Principle 11 (Relations with regulators) and the part of the Authority Handbook titled Supervision regarding the provision of information to the Authority.

Threshold condition 2D: Appropriate Resources

6. COND 1.3.2G(2) states that, in relation to threshold conditions 2D to 2F, the Authority will consider whether a firm is ready, willing and organised to comply on a continuing basis with the requirements and standards under the regulatory system which will apply to the firm if it is granted Part 4A permission.
7. COND 2.4.2G(2) states that the FCA will interpret the term 'appropriate' as meaning sufficient in terms of quantity, quality and availability, and 'resources' as including all financial resources (though only in the case of firms not carrying on, or seeking to carry on, a PRA-regulated activity), non-financial resources and means of managing its

resources; for example, capital, provisions against liabilities, holdings of or access to cash and other liquid assets, human resources and effective means by which to manage risks.

8. COND 2.4.2G(2A) provides that, 'non-financial resources' of the firm include human resources it has available.
9. COND 2.4.2G(3) states that high level systems and control requirements are in SYSC. The FCA will consider whether the firm is ready, willing and organised to comply with these and other applicable systems and controls requirements when assessing if it has appropriate non-financial resources for the purpose of the threshold conditions set out in threshold condition 2D.

Threshold condition 2E: Suitability

10. COND 2.5.2G(2) states that the FCA will also take into consideration anything that could influence a firm's continuing ability to satisfy the threshold conditions set out in paragraphs 2E and 3D of Schedule 6 to the Act. Examples include the firm's position within a UK or international group, information provided by overseas regulators about the firm, and the firm's plans to seek to vary its Part 4A permission to carry on additional regulated activities once it has been granted that permission..
11. COND 1.3.3BG provides that, in determining whether the firm will satisfy, and continue to satisfy, the FCA threshold conditions, the FCA will have regard to all relevant matters, whether arising in the United Kingdom or elsewhere.
12. COND 1.3.3CG provides that, when assessing the FCA threshold conditions, the FCA may have regard to any person appearing to be, or likely to be, in a relevant relationship with the firm, in accordance with section 55R of the Act (Persons connected with an applicant). For example, a firm's controllers, its directors or partners, other persons with close links to the firm (see COND 2.3), and other persons that exert influence on the firm which might pose a risk to the firm's satisfaction of the FCA threshold conditions, would be in a relevant relationship with the firm.
13. COND 2.5.4(2)(a)G states that examples of the kind of general considerations to which the FCA may have regard when assessing whether a firm will satisfy, and continue to satisfy, threshold condition 2E includes, but are not limited to, whether the firm conducts, or will conduct, its business with integrity and in compliance with proper standards.
14. COND 2.5.4(2)(c)G states that examples of the kind of general considerations to which the FCA may have regard when assessing whether a firm will satisfy, and continue to satisfy, threshold condition 2E includes, but are not limited to, whether the firm can demonstrate that it conducts, or will conduct, its affairs with the exercise of due skill, care and diligence.
15. COND 2.5.6G provides that examples of the kind of particular considerations to which the FCA may have regard when assessing whether a firm will satisfy, and continue to satisfy, this threshold condition include, but are not limited to, whether the firm has been open and co-operative in all its dealings with the FCA and any other regulatory body (see Principal 11 (Relations with Regulators)) and is ready, willing and organised to comply with the requirements and standards under the regulatory system.