
FINAL NOTICE

To: FJ Autos Limited

Address: 65 Lime Tree Road
Birmingham
West Midlands
B8 2XH

FCA Reference Number: 676490

Dated: 25 February 2016

ACTION

1. For the reasons set out in this Final Notice, the Authority hereby takes the following action against FJAL.
2. The Authority gave FJAL the Decision Notice, which notified FJAL that for the reasons given below and pursuant to section 55J of the Act, the Authority had decided to cancel FJAL's Part 4A permission.
3. FJAL has not referred the matter to the Tribunal within 28 days of the date on which the Decision Notice was given to it.
4. Accordingly, the Authority has today cancelled FJAL's Part 4A permission.

DEFINITIONS

5. The definitions below are used in this Final Notice (and in the Annex):
 - "the Act" means the Financial Services and Markets Act 2000;
 - "the Authority" means the Financial Conduct Authority;
 - "COND" means the Guidance on the Threshold Conditions set out in the Handbook;
 - "the Decision Notice" means the Decision Notice given to FJAL dated 19 January 2016;
 - "EG" means the Authority's Enforcement Guide;

“FJAL” means FJ Autos Limited;

“FJAL’s Part 4A permission” means the permission granted by the Authority to FJAL under the Act;

“the Handbook” means the Authority’s Handbook of rules and guidance;

“the Principles” means the Authority’s Principles for Businesses;

“the suitability Threshold Condition” means the threshold condition set out in paragraph 2E of Schedule 6 to the Act;

“the Threshold Conditions” means the threshold conditions set out in Schedule 6 to the Act;

“the Tribunal” means the Upper Tribunal (Tax and Chancery Chamber); and

“the Warning Notice” means the Warning Notice given to FJAL dated 23 December 2015.

RELEVANT STATUTORY AND REGULATORY PROVISIONS

6. The statutory and regulatory provisions relevant to this Final Notice are set out in the Annex.

SUMMARY OF REASONS

7. On the basis of the facts and matters and conclusions described in the Warning Notice, and in the Decision Notice, it appears to the Authority that FJAL is failing to satisfy the suitability Threshold Condition. That is because, in the opinion of the Authority, FJAL has failed to ensure that its affairs are conducted in a sound and prudent manner, and because its conduct has not met the requirements of Principle 11 (Relations with regulators) of the Principles under which firms must co-operate with the Authority.

FACTS AND MATTERS RELIED ON

8. FJAL has been authorised by the Authority since 10 April 2015 to conduct consumer credit business.
9. FJAL has failed to co-operate with the Authority in that it has failed to respond to repeated Authority requests that FJAL contact the Authority to discuss significant concerns about how FJAL conducts its business as a credit broker.

DECISION MAKER

10. The decision which gave rise to the obligation to give this Final Notice was made by the Regulatory Decisions Committee.

IMPORTANT

11. This Final Notice is given to FJAL in accordance with section 390(1) of the Act.

Publicity

12. The Authority must publish such information about the matter to which this Final 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 FJAL or prejudicial to the interests of consumers.

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

Authority Contact

14. For more information concerning this matter generally, please contact Adam Doe at the Authority (direct line: 020 7066 5522).

John Kirby
Enforcement and Market Oversight Division

ANNEX

RELEVANT STATUTORY PROVISIONS

1. The Authority's operational objectives established in section 1B of the Act include the protection of consumers.
2. The Authority is authorised by section 55J of the Act to cancel a firm's Part 4A permission where it appears to the Authority that it is failing to satisfy the Threshold Conditions (section 55J(1)(a), (2)(b)).
3. The suitability Threshold Condition provides that:

"A must be a fit and proper person having regard to all the circumstances, including

[...]

 - (c) the need to ensure that A's affairs are conducted in an appropriate manner, having regard in particular to the interests of consumers and the integrity of the UK financial system; [...]
 - (f) whether A's business is being, or is to be, managed in such a way as to ensure that its affairs will be conducted in a sound and prudent manner. [...]"

RELEVANT REGULATORY PROVISION

4. In exercising its power to cancel a firm's Part 4A permission, the Authority must have regard to guidance published in the Handbook. The relevant main considerations in relation to the action specified above are set out below.

Relevant Principle

5. Principle 11 requires a firm to deal with its regulators in an open and co-operative way, and to disclose to the Authority appropriately anything relating to the firm of which the Authority would reasonably expect notice.

Guidance concerning the relevant Threshold Condition

COND 2.5 – Suitability: Paragraph 2E of Schedule 6 to the Act

6. COND 2.5.6G states that examples of considerations to which the Authority may have regard when assessing whether a firm will satisfy, and continue to satisfy, the suitability Threshold Condition include whether the firm has been open and co-operative in all its dealings with the Authority and is ready, willing and organised to comply with the requirements and standards under the regulatory system (COND 2.5.6G(1)).

OTHER RELEVANT REGULATORY PROVISIONS

7. The Authority's policy in relation to exercising its powers is set out in EG, the relevant provisions of which are summarised below.

Exercising the power to cancel a Part 4A permission on its own initiative under section 55J of the Act: the Authority's policy

8. EG 8.1 reflects the provisions of section 55J of the Act that the Authority may use its own-initiative power to cancel the Part 4A permission of an authorised firm where a firm is failing or is likely to fail to satisfy the Threshold Conditions (EG 8.1(1)); or where

it is desirable to exercise the power in order to advance one or more of its operational objectives (EG 8.1(3)).

9. EG 8.13(1) provides that the Authority will consider cancelling a firm's Part 4A permission using its own-initiative powers contained in section 55J where the Authority has very serious concerns about a firm, or the way its business is or has been conducted.
10. EG 8.14 sets out examples of the circumstances in which the Authority will consider cancelling a firm's Part 4A permission. EG 8.14(8), which states that a failure to co-operate with the Authority which is of sufficient seriousness that the Authority ceases to be satisfied that the firm is fit and proper, for example failing without reasonable excuse to provide material information or take remedial action reasonably required by the Authority, is one such example (EG 8.14(8)(b)).