
FINAL NOTICE

Vehicle Supermarket of Leicester Limited
114-126 Melbourne Road
Ibstock
Leicestershire
LE67 6NN

12 May 2016

ACTION

1. By way of an application dated 30 March 2015 Vehicle Supermarket of Leicester Limited ("VSOL") applied under section 55A of the Act for Part 4A permission to carry on the regulated activities of Credit Broking, Debt Adjusting and Debt Counselling.
2. The Application is incomplete.
3. For the reasons listed below, the Authority has decided to refuse the Application.
4. As a result of the giving of the Decision Notice, pursuant to article 58(1)(a) of the Transitional Order, VSOL's interim permission has ceased.

SUMMARY OF REASONS

5. By its Warning Notice the Authority gave notice that it proposed to refuse the Application and that VSOL was entitled to make representations to the Authority about that proposed action.

6. As no representations have been received by the Authority from VSOL 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.
7. By its Decision Notice, the Authority gave VSOL notice that it had decided to take the action described above.
8. VSOL 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.
9. 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 VSOL Final Notice of its refusal.
10. The initial Application by VSOL was incomplete. The Authority has made repeated requests to VSOL for further information. VSOL has failed to provide the outstanding information.
11. The Authority decided to refuse the Application and to give this Final Notice as VSOL has failed to provide the information required by the Authority and, in the absence of the information sought, the Authority cannot ensure that VSOL will satisfy, and continue to satisfy, the threshold conditions set out in Schedule 6 of the Act.

DEFINITIONS

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

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

"the Application" means the application dated 30 March 2015 made by VSOL under section 55A of the Act for Part 4A permission to carry on the regulated activities of Credit Broking, Debt Adjusting and Debt Counselling.

"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 Decision Notice" means the Decision Notice dated 9 March 2016 given to VSOL by the Authority.

"the OFT" means the body which before 1 April 2014 was known as The Office of Fair Trading.

"RDC" means the Authority's Regulatory Decisions Committee.

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

"the Transitional Order" means the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No. 2) Order 2013 (SI 2013/1881).

“the Warning Notice” means the Warning Notice dated 3 February 2016 given to VSOL by the Authority.

FACTS AND MATTERS

13. The Application was received by the Authority on 30 March 2015.
14. Further information was requested from VSOL under section 55U(5) of the Act.
15. Details of all the relevant communications between the Authority and VSOL are set out below.
 - i. On 25 June 2015 VSOL was asked to provide the following information in support of the Application by 29 June 2015 (“the Information”):
 - The projected annual income for VSOL derived from regulated activities it carries on.
 - ii. On 1 July 2015 the Authority by way of an email requested VSOL to provide the Information in support of the Application by 06 July 2015.
 - iii. After two weeks, the Authority had still received no response to its request for the Information of 25 June 2015.
 - iv. On 21 July 2015 the Authority attempted to contact VSOL by telephone and left a voicemail requesting the firm urgently contact the Authority regarding correspondence recently sent to them. The Authority did not receive any response.
 - v. On 6 August 2015 CAD sent letters to two additional addresses found by the Authority on Companies House and VSOL’s website, requesting the firm to contact the Authority. These letters were sent by Special Delivery and were delivered and signed for. However the Authority received no response to these letters. The Authority also attempted to contact VSOL by telephone using the mobile number provided with the Application; however the mobile number provided was disconnected. The Authority tried to call VSOL using an alternative number which was provided by VSOL in the Application. When the Authority made the call, the call was answered by a company called Click Car Credit. Click Car Credit informed the Authority on the phone that it was occupying the office space previously used by VSOL. Click Car Credit also informed the Authority in the call that it had not heard of VSOL.
 - vi. The occupier of the premises given by VSOL in the Application, Click Car Credit, confirmed by email that “*it had purchased the premises and not the business of [VSOL]*”. The Authority could not locate any information that indicates that VSOL and Click Car Credit are connected, except that the address given in the Application is now used by Click Car Credit. Companies House’s filings show that VSOL is still registered at Companies House as being active, although there was a suspension of a compulsory strike off on 16 October 2015.
 - vii. On 28 August 2015 the Authority wrote to VSOL at the address given in the Application, as well as by email, informing it that a failure to provide the 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 VSOL with a Warning Notice proposing to refuse the

Application. The letter was sent by Special Delivery. The email was sent to the email address in the Application. CAD did not receive any notification that the email was not delivered. No response was received to this letter by the stated deadline of 14 September 2015 (i.e. within ten working days).

- viii. On the 17 September 2015 the Authority wrote to VSOL at the address given in the Application, noting the lack of a response to its previous letters and reiterated that a failure to provide the 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 VSOL with a Warning Notice proposing to refuse the Application. The letter was sent by Special Delivery but was returned as the addressee was "*not at the address*" and as a result no response was received to this letter by the stated deadline of 1 October 2015 (i.e. within ten days).
 - ix. On 22 October 2015 the Authority wrote to VSOL at the address given in the Application noting the lack of a response to its previous letters and reiterated that a failure to provide the 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 RTC that it issue VSOL with a Warning Notice proposing to refuse the Application. The letter was sent by Special Delivery but was returned as addressee was 'not known at this address'. As a result no response was received to this letter by the stated deadline of 6 November 2015 (i.e. within 10 days).
16. The letters dated 17 September 2015 and 22 October 2015 were returned to the Authority as "*not known at this address*". No response has been received by the Authority indicating that any of the correspondence sent by email or the other letters sent could not be delivered.
17. From 30 March 2015 the Authority has not received a response to any of the communications set out above. The information provided by VSOL in the Application has been insufficient to enable the Authority to determine the Application.
18. Lindsey Baker applied to for the CF8 (Apportionment and Oversight). Companies House records of 11 November 2015 shows that the appointment of Lindsey Baker as a director of VSOL was terminated on 9 July 2015. The Authority was not notified by VSOL regarding this change to the Firm. The Authority would not be able to recommend the CF8 application be approved as Lindsey Baker is no longer with the firm.

IMPACT ON THRESHOLD CONDITIONS

19. The regulatory provisions relevant to this Decision Notice are referred to in Annex A.
20. By virtue of VSOL's failure to provide the Information and, from 30 March 2015, to substantively reply to the Authority's correspondence, the Authority cannot ensure that VSOL satisfies, and will continue to satisfy, the following threshold conditions:
- 2C (Effective Supervision)

- i. VSOL's failure to provide the Authority with the Information calls into question whether the Authority would be able to obtain (on an ongoing basis) sufficient information about the firm's activities such that the Authority would be able to effectively supervise them.

2D (Appropriate Resources)

- ii. In failing to respond to the Authority's requests and correspondence in the manner set out above, VSOL has been unable to satisfy the Authority that they have the appropriate human resources.

2E (Suitability)

- iii. The failure by VSOL to supply the Information means that the firm is not being open and co-operative with the Authority or demonstrating that they are ready, willing and organised to comply in their dealings with the Authority.

21. On the basis of the facts and matters described above, the Authority has concluded that VSOL will not satisfy, and continue to satisfy, the threshold conditions in relation to all of the regulated activities for which VSOL would have permission if the application was granted.

IMPORTANT NOTICES

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

Publication

23. 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.

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

Authority contacts

25. For more information concerning this matter generally, contact Mike Baker, Manager, Credit Authorisations at the Authority (direct line: 020 7066 1026 / email: Mike.Baker@fca.org.uk).

Andrew Freeman
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.
5. 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.
6. COND 1.3.3AG provides that, in determining the weight to be given to any relevant matter, the Authority will consider its significance in relation to the regulated activities for which the firm has, or will have, permission in the context of its ability to supervise the firm adequately, having regard to the Authority’s statutory objectives. In this context, a series of matters may be significant when taken together, even though each of them in isolation might not give serious cause for concern.
7. COND 1.3.3BG provides that, in determining whether the firm will satisfy, and continue to satisfy, the Authority threshold conditions, the Authority will have regard to all relevant matters, whether arising in the United Kingdom or elsewhere.
8. COND 1.3.3CG provides that, when assessing the Authority’s threshold conditions, the Authority 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 Authority's threshold conditions, would be in a relevant relationship with the firm.

Threshold Condition 2C: Effective Supervision

9. COND 2.3.3G provides that, in assessing the threshold conditions set out in paragraph 2C of Schedule 6 to the Act, factors which the Authority will take into consideration include, among other things, whether:

(1) it is likely that the Authority will receive adequate information from the firm, and those persons with whom the firm has close links, to enable it to determine whether the firm is 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 rules in SUP on the provision of information to the Authority).

Threshold condition 2D: Adequate Resources

10. 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.

11. COND 2.4.2G(2A) provides that, 'non-financial resources' of the firm include human resources it has available.

12. COND 2.4.2G(3) states that high level systems and control requirements are in SYSC. The Authority 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

13. 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..

14. COND 2.5.4G(2)(c) states that examples of the kind of general considerations to which the Authority may have regard when assessing whether a firm will satisfy, and continue to satisfy, threshold condition 2E include, but are not limited to, whether the firm can demonstrate that it conducts, or will conduct, its business with integrity and in compliance with proper standards.

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:

- (1) the firm has been open and co-operative in all its dealings with the Authority and any other regulatory body (see Principle 11 (Relations with regulators)) and is ready, willing and organised to comply with the requirements and standards under the regulatory system (such as the detailed requirements of SYSC and, in relation to a firm not carrying on, or seeking to carry on, a PRA-regulated activity only, the Prudential Standards part of the Authority's Handbook) in addition to other legal, regulatory and professional obligations; the relevant requirements and standards will depend on the circumstances of each case, including the regulated activities which the firm has permission, or is seeking permission, to carry on.