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Our Ref: FOI3623

Dear

### **Freedom of Information : Right to know request**

Thank you for your request under the Freedom of Information Act 2000 (the Act), for information about firms applying to the FCA for consumer credit lending or brokering regulated activities. A summary of your original request and refined request is shown in Annex a (attached).

Your request has now been considered and I confirm that we hold the information that falls within the scope of your request, as set out below.

In relation to point 1 of your request, the requirements for a firm to be authorised are set out in the FCA handbook, in the threshold conditions (COND) section. Additional information regarding this can be found on the FCA website, both links are attached below.

Additionally individuals associated with firms who are carrying out certain "controlled functions" have to meet standards set out in the fit and proper test (FIT) section of the handbook. The remainder of the handbook includes rules and guidance for all firms. Of particular relevance for credit firms is the consumer credit sourcebook (CONC) but there are also other relevant sections of the handbook including the supervision (SUP) and dispute resolution: complaints (DISP) sections. The ability of firms to comply with all relevant rules is part of the threshold conditions test.

#### **FCA Handbook:**

<http://fshandbook.info/FS/html/FCA>

#### **FCA Website:**

[www.fca.org.uk](http://www.fca.org.uk)

With regard to points 2 and 3, since 1 April 2014, 2359 new firms have applied for consumer credit lending or broking regulated activities (as at 25 September 2014). These include: wholly new firms; firms which had applied to OFT and had their applications transferred to FCA on 1 April, and; new firms which had interim permission and have applied for full authorisation.

Of these, 1264 firms have been authorised, 293 have withdrawn, 3 have been refused and 799 are still being processed.

Please note that applications can be withdrawn for a variety of reasons including:

- the firm concluding that they will not be carrying out a regulated activity;
- the firm concluding that they are currently not ready to comply with the requirements for authorisation and withdrawing with the intention of applying again at a later date; or
- the firm deciding not to proceed to the formal decision process after we have expressed concerns regarding their ability to satisfy the threshold conditions for authorisation.

If you have any queries then please contact me.

Yours sincerely

Information Access Team  
**Financial Conduct Authority**

## **Annex A**

*"In relation to licensing non-exempt credit brokers and lenders, the Financial Conduct Authority grants either interim permission or full authorisation under the Consumer Credit Act.*

*One of the stipulations in the licensing process is for the applicant to be "fit and proper."*

*Regarding this, will you please provide me with the following information:*

- 1. What are the exact requirements that an applicant must fulfill in order to be deemed fit and proper for licensing as a credit broker or a lender?*
- 2. How many applicants for interim permission or full authorisation to provide consumer credit lending and brokerage have you had in total since taking over this task from the Office of Fair Trading at the beginning of this year up till the present day?*
- 3. How many of the applications mentioned in point four have been rejected?"*

On 18 September 2014 you refined your request as follows:

- 1. "What are the exact requirements that an applicant must fulfill in order to be deemed fit and proper for licensing as a credit broker or a lender, for applications received since April 1st 2014?"*
- 2. How many applicants for interim permission or full authorisation to provide consumer credit lending and brokerage have you had in total since April 1st 2014?"*
- 3. How many of the applications mentioned in point two have been rejected, how many granted and how many withdrawn?"*