

REQUIREMENTS IMPOSED BY THE OFFICE OF FAIR TRADING ('OFT') PURSUANT TO SECTION 33A AND SECTION 33D(4) OF THE CONSUMER CREDIT ACT 1974 ('the Act')

REQUIREMENTS RELATING TO:

1st Credit Limited (Consumer Credit Licence Number 474343), registered office: Hill House, 1 Little New Street, London, EC4A 3TR.

THE OFT REQUIRES AS FOLLOWS:

1. That as of 19 February 2009

1.1 1st Credit Limited shall not issue Statutory Demands unless:

- a) it is commercially viable to do so;
- b) the case has been fully reviewed and the use of a Statutory Demand is considered reasonable;

AND

- c) there is a realistic prospect that bankruptcy proceedings will be taken.
- d) A non-exhaustive list of circumstances where the use of a Statutory Demand is not considered reasonable is given at Annex 1.

1.2 1st Credit Limited shall not discuss legal action or the implications of such action with debtors unless one of the following applies:

- a) the debtor is unreasonably refusing to make payment;
- b) the debtor is refusing to provide suitable evidence to justify an offer of payment;
- c) the debtor is actively and unreasonably seeking to avoid the debt;
- d) the debtor is not prepared to make a firm arrangement to clear the debt or to take appropriate steps to deal with the matter;
- e) the debtor has failed to adhere to a previously agreed arrangement;
- f) 1st Credit Limited is invited to do so by the debtor, or their representative;

- g) a repayment offer is made which is unreasonable when the debtors' financial circumstances are considered; or
- h) 1st Credit Limited reasonably doubts the debtor has a commitment to make payments;

AND

- i) there is a realistic prospect of legal action being taken.
- 1.3 1st Credit Limited shall ensure that Sensitive Cases are dealt with in an appropriate manner and shall not be sold on by 1st Credit Limited to other debt purchase companies or passed to third party debt collectors acting on behalf of 1st Credit Limited.
- 1.4 1st Credit Limited shall ensure that all matters of concern raised by the free advice sector and other third party representatives shall be referred to and dealt with by an appropriate member of staff or member of a dedicated team.
- 2 1st Credit Limited shall provide the following information to the OFT on 17 August 2009, 15 February 2010 and 16 August 2010:
- a) the number of Statutory Demands issued in the previous six months;
 - b) the number of bankruptcy petitions issued in the previous six months;
 - c) the number of court claims issued against debtors in the previous six months;
 - d) the number of judgments obtained in the previous six months;
 - e) the number of enforcement actions taken and what type in the previous six months; and
 - f) the number of voluntary charging orders obtained in the previous six months.

For the purposes of these Requirements the following definitions apply:

'1st Credit Limited' shall mean any company acting on behalf of or under the direction of 1st Credit Limited, or an associated group company as defined by section 184 of the Consumer Credit Act 1974 and which is active in England, Wales, Scotland or Northern Ireland.

'Sensitive Case' shall mean a case which concerns or directly involves:

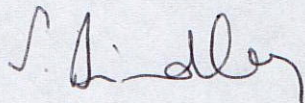
- a) an individual who has mental health issues;
- b) an individual who has serious health issues or a medical condition that limits his ability to cope with day to day living;
- c) an individual who has suffered a recent death in the family; or
- d) an individual experiencing problems referred to in the MALG Good Practice Guidelines;

i. AND

- e) where reasonable evidence of such has been provided to 1st Credit Limited.

ANY FAILURE TO COMPLY WITH THE ABOVE REQUIREMENTS WILL RENDER 1ST CREDIT LIMITED LIABLE TO FURTHER FORMAL ACTION BY THE OFT. THIS COULD INCLUDE THE IMPOSITION OF FINANCIAL PENALTIES PURSUANT TO SECTION 39A OF THE ACT AND/OR THE REVOCATION OF 1ST CREDIT LIMITED'S CONSUMER CREDIT LICENCE PURSUANT TO SECTION 32 OF THE ACT.

Signed:



**Simon Brindley – Credit Legal Director
Authorised signatory on behalf of the OFT**

Date:

19th February 2009

Annex 1

The following is a non-exhaustive list where the use of a Statutory Demand is not considered reasonable:

- a) The debt is known to be statute barred.
- b) 1st Credit Limited is aware that the debtor is no longer resident at the intended service address.
- c) A valid dispute remains unresolved.
- d) The Debtor or a third party acting on behalf of the debtor has provided proof to justify the debtor being classed as a Sensitive Case.
- e) Where the Citizens Advice Bureaux or other advice organisations have confirmed that they are acting on behalf of the individual and have provided, or will provide within 28 days, an income/expenditure statement.
- f) 1st Credit Limited is aware that the debtor is unemployed, is without assets and has provided appropriate proof of such to 1st Credit Limited.
- g) The debtor or a 3rd party acting on the debtor's behalf has provided an income/expenditure statement to 1st Credit Limited together with appropriate proof, (where applicable), and has made an offer of repayment which is reasonable.
- h) The debtor has zero or nominal equity in respect of property owned, and no other assets outside of this equity, has provided appropriate proof of such to 1st Credit Limited and has made an offer of repayment which is reasonable.
- i) If bankruptcy would result in the debtor losing their job and that debtor has provided an income/expenditure statement with appropriate proof, (where applicable) and has made an offer of repayment that is deemed to be reasonable.