

Office of Fair Trading

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Financial Conduct Authority

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www.fca.org.uk/consumer-credit

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Dear Licensee

CONSUMER CREDIT REGULATION IS CHANGING – YOU NEED TO ACT NOW

We are writing to tell you about some important changes that will affect your business.

- On 1 April 2014 the Financial Conduct Authority (FCA) takes over from the Office of Fair Trading (OFT) as your new consumer credit regulator
- That means from September 2013 you will need to register with the FCA, or you will not be able to carry on regulated consumer credit activities from 1 April 2014
- You need to **take action now** to make sure your details are correct on the OFT register at www.oft.gov.uk/consumer-credit-changes
- If your licence category details are not right, you could risk operating illegally and you will face delays when you try to register with the FCA from September

What you need to do now

Go to www.oft.gov.uk/consumer-credit-changes to check your name, address and company details are right and update them if necessary. This will save you time when you register with the FCA from September.

You should also make sure your licence covers all the activities you want to continue after 1 April 2014. If you don't have the right licence categories covered, and you conduct business in those categories, you risk acting illegally.

Want to know more?

There is more information about the changes and how they will affect you overleaf and on the FCA website at www.fca.org.uk/consumer-credit, where you can also sign up for email updates.

Yours faithfully



David Fisher
Senior Director, Anti-Money Laundering &
Consumer Credit (OFT)



Nausicaa Delfas
Head of Department, Consumer Credit
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More information about the changes and how they will affect you

Background

As part of the Government's regulatory reform of financial services, the FCA will take over regulation of consumer credit from the OFT on 1 April 2014. This brings the conduct of business regulation under a single financial services regulator.

The FCA will take a different approach to regulation from the OFT. The Government and FCA have published initial proposals for how this new approach will work and you can find information about this on the FCA website: www.fca.org.uk/consumer-credit. If you are a member of a trade association or industry body, they may also be able to help you. The FCA will consult on more detailed proposals this autumn.

What you need to do now

Go to www.of.gov.uk/consumer-credit-changes to make sure your details are right. It's important to make sure your licence covers all the activities you want to continue after 1 April. If you don't have the right categories covered and you conduct business in those categories, you risk acting illegally. You should only apply to add a category if you have firm plans to carry out those new business activities – and this will involve further scrutiny by the OFT. Having accurate information on the OFT register will also save you time when you register with the FCA from September. If your OFT licence information is not correct, you will need to get it changed before you can complete registration with the FCA. Details of how to do this are on the OFT website at the link above.

What you will need to do from September

From September, you must register with the FCA for 'interim permission' if you wish to continue the activities you are currently licensed for after 1 April 2014. You must do this if you want to continue these activities: if you do not, you are likely to be operating illegally.

You will be able to register online from September and you will be charged a fee – proposed at £150 for sole traders and £350 for most other firms, with some exemptions.

What the FCA will do next

The FCA will write to you again before the 'interim permission' system opens, to explain exactly what you need to do to help ensure you remain compliant. The OFT will continue to be your regulator until 31 March 2014. Until then you still need to follow their guidance, and make sure your licence information is up to date.

After 1 April 2014

After 1 April 2014, your firm or organisation will need to complete a more detailed application process for authorisation by the FCA – the timing of which will be confirmed in due course. The FCA will take a proportionate approach to authorisation depending on size and type of your firm and the activity you conduct. The FCA will continue to keep you informed about these changes and what they mean for you.

For further information visit the websites below; and you will also be able to sign up for email updates directly from the FCA.

The OFT: www.of.gov.uk/consumer-credit-changes

The FCA: www.fca.org.uk/consumer-credit