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## **FINAL NOTICE**

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**To:** **Aglory Merchant Enterprises Limited**

**Address:** **1<sup>st</sup> Floor Windsor House  
1270 London Road  
Norbury  
London  
SW16 4DH**

**FRN:** **591429**

**Dated:** **14 January 2025**

### **ACTION**

1. For the reasons set out in this Final Notice, the Authority hereby takes the following action against Aglory Merchant Enterprises Limited ("the Firm").
2. The Authority issued the Firm with the Decision Notice, which notified it that for the reasons given below and pursuant to Regulation 10(1)(e) and 10(1)(h) (as applied by regulation 15) of the Payment Services Regulations 2017 ("the PSRs"), the Authority had decided to cancel the Firm's registration as a Small Payment Institution ("SPI").
3. The Firm 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 the Firm's registration as an SPI.

## **SUMMARY OF REASONS**

5. The Authority has concluded, on the basis of the facts and matters set out below, that the Firm is no longer meeting the conditions for registration as a SPI under the PSRs and that its cancellation is desirable in order to protect the interests of consumers.
6. In particular, on 1 August 2021, the Firm's registration with His Majesty's Revenues and Customs ("HMRC"), maintained under The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, lapsed. Additionally, the Firm has not cooperated with the Authority and has also provided payment services after its registration with HMRC had lapsed.

## **DEFINITIONS**

7. 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;

"Decision Notice" means the Decision Notice issued by the Authority to the Firm on 11 November 2024;

"EG" means the Authority's Enforcement Guide;

"the Firm" means Aglory Merchant Enterprises Limited;

"the Handbook" means the Authority's Handbook of rules and guidance;

"HMRC" means His Majesty's Revenue and Customs;

"LBA" means the Letter Before Action issued by Enforcement on 6 August 2024;

"the MLRs" means Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017;

"PRIN" means the Principles for Businesses contained within the High Level Standards of the FCA Handbook;

"the PSRs" means the Payment Services Regulations 2017;

"SPI" means Small Payment Institution as defined in Regulation 2(1) of the PSRs; and

"the Tribunal" means the Upper Tribunal (Tax and Chancery Chamber).

## **RELEVANT STATUTORY AND REGULATORY PROVISIONS**

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

## **FACTS AND MATTERS**

9. On 28 November 2018, the Firm was registered by the Authority as an SPI under the

PSRs.

10. Once registered with the Authority, the Firm was required to abide by the PSRs and PRIN, including under Principle 11, the requirement to *"...deal with its regulators in an open and cooperative way..."*.
11. The Firm's initial HMRC registration commenced 1 August 2006, but subsequently lapsed on 1 August 2021. HMRC issued a Notice to the Firm alerting it to this on 3 May 2022.
12. The Firm did not send notification that its registration with HMRC under the MLRs had lapsed. As this change of circumstances is relevant to the Firm's fulfilment of conditions 3 set out in Regulation 14(5) to (11) there was a duty on the Firm to notify this to the Authority under Regulation 37 of the PSRs.
13. The Firm submitted a Return for the period 1 January 2022 to 31 December 2022 reporting that regulated payment services had been carried on since the Firm's HMRC registration lapsed.
14. On 19 March 2024 an email was sent by the Authority alerting the Firm that it was not registered with HMRC and was not meeting its conditions for registration under the PSRs. The Firm was also requested to sign a voluntary undertaking not to carry on regulated payment services until the Firm was registered with HMRC. No response was received from the Firm.
15. Another email was sent to the Firm on 27 March 2024 requesting a response to the email of 19 March 2024. No response was received by the Authority. The next day, the Firm submitted a new application to HMRC, which is currently under consideration by HMRC.
16. On 25 April 2024, a further email was sent by the Authority requesting a response by 3 May 2024 and reminding the Firm of its obligations under Principle 11, which requires the firm *"...[to] deal with its regulators in an open and cooperative way, and must disclose to the FCA appropriately anything relating to the firm of which the FCA would reasonable expect notice."* The Firm did not respond to this email.
17. On 6 August 2024 Enforcement issued an LBA to the Firm alerting it that it was in breach of the conditions for registration as an SPI and inviting the Firm to voluntarily cancel its registration by 20 August 2024, before Enforcement action was taken.
18. On 27 August 2024 Enforcement issued a supplementary LBA alerting the Firm that pursuant to Regulation 10(1)(h) (as applied by Regulation 15), the Firm's cancellation was desirable in order to protect the interests of consumers. This was because it had carried on regulated payment services despite not being registered with HMRC under the MLRs, and that there was a duty on the Firm, under Regulation 37 of the PSRs, to notify the Authority that its HMRC registration had lapsed.

## **FAILINGS**

19. On the basis of the facts and matters described above, the Authority considers that:
  - (a) The Firm is no longer meeting the conditions for Registration as an SPI set out in Regulation 14(11) of the PSRs, as the Firm's registration with HMRC under the MLRs lapsed on 1 August 2021. The Firm is therefore liable to have its registration cancelled under Regulation (10)(1)(e) (as applied by Regulation 15) of the PSRs.

- (b) The Firm failed to notify the authority that its registration with HMRC under the MLRs had lapsed. Regulation 37 of the PSRs places a duty on SPIs to notify a change in circumstances where it becomes apparent that there is, or is likely to be, a significant change in circumstances which is relevant to its fulfilment of any of the conditions set out in Regulation 14(5) to (11).
  - (c) In breach of Principle 11, the Firm has not dealt with the Authority in an open and cooperative way and failed to demonstrate a readiness and willingness to comply with its ongoing regulatory obligations by;
    - i. failing to notify the Authority of a change in circumstances;
    - ii. failing to respond to requests by the Authority to sign a voluntary undertaking not to carry on regulated payment services until the Firm was registered with HMRC; and
    - iii. failing to cancel its registration, despite requests to do so.
  - (d) The Firm continued to carry on regulated payment services for the period 1 January 2022 and 31 December 2022 despite having no registration with HMRC under the MLR's, which is a condition for registration as an SPI pursuant to Regulation 14(11) of the PSRs.
20. Accordingly, the Authority has decided to cancel the Firm's registration as an SPI in accordance with Regulations 10(1)(e) and 10(1)(h) (as applied by Regulation 15) of the PSRs.
21. Cancellation is desirable under Regulation 10(1)(h) in order to protect consumers. Protection in this context means ensuring that consumers are not harmed by firms that are not cooperating with their regulator or being misled about the regulatory status of firms and the products/services which they offer.

## **PROCEDURAL MATTERS**

22. This Final Notice is given to the Firm in accordance with section 390(1) of the Act (as applied by paragraph 10 of Schedule 6 of the PSRs).

### **Decision maker**

23. The decision which gave rise to the obligation to give this Final Notice was made by an Authority staff member under the executive procedures.

### **Publicity**

24. Sections 391(4), 391(6) and 391(7) of the Act (as applied by paragraph 10 of Schedule 6 to the PSRs) apply to the publication of information about the matter to which this Final Notice relates. Under those provisions, 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 information would, in the opinion of the Authority, be unfair to the Firm or prejudicial to the interests of consumers or detrimental to the stability of the UK financial system.

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

**Authority Contact**

26. For more information concerning this matter generally, the Firm should contact Stuart Doyle at the Authority (direct line: 020 7066 0245).

**Jeremy Parkinson**  
**Enforcement and Market Oversight Division**

## **ANNEX A**

### **RELEVANT STATUTORY PROVISIONS**

1. The Authority's operational objectives established in section 1B of the Act include protecting and enhancing the integrity of the UK financial system and securing an appropriate degree of protection for consumers.
2. Regulation 14(11) of the PSRs requires an SPI to comply with a requirement of the MLRs to be included in a register maintained under the MLRs where such a requirement applies to the SPI. The register in which the Firm must be included under the MLRs is maintained by HMRC.
3. Regulation 15 of the PSRs provides:

"Regulations 7 to 12 apply to registration as a small payment institution as they apply to authorisation as a payment institution as if—

(a) references to authorisation were references to registration;

[...]."
4. Regulation 10(1)(e) of the PSRs, as applied by Regulation 15 of the PSRs, gives the Authority power to cancel the registration of an SPI where the person does not meet, or is unlikely to meet, any of the conditions set out in regulation 14 (4) to (11) (conditions for registration as small payment institution) or, does not inform the Authority of a major change in circumstances which is relevant to its meeting those conditions or that requirement, as required by Regulation 37 (duty to notify change in circumstances).
5. Under Regulation 10(1)(h) of the PSRs (as applied by Regulation 15) the Authority may cancel the registration of a SPI where the cancellation is desirable in order to protect the interests of consumers.

### **RELEVANT HANDBOOK PROVISIONS**

6. In exercising its powers to cancel the registration of a small payment institution, the Authority must have regard to guidance published in the Handbook and in regulatory guides, such as EG. The main considerations relevant to the action stated in this notice are set out below.

#### **The Enforcement Guide**

7. The Authority's policy in relation to exercising its enforcement powers is set out in EG, the relevant provisions of which are summarised below.
8. EG 19.20.2 provides that the Authority's approach to enforcing the PSRs will mirror its general approach to enforcing the Act.
9. EG 19.20.5 provides that, in relation to the PSRs, the Authority has decided to adopt procedures and policies, in relation to the use of its sanctioning and regulatory powers, akin to those it has under the Act. The statutory grounds in Section 55J of the Act for cancelling a firm's Part 4A permission include where the firm no longer satisfies the

Threshold Conditions, the minimum standards a firm is required to meet to obtain and retain its Part 4A permission.

### **The Principles**

10. The relevant principles for businesses are set out in PRIN 2.1.1R.
11. Principle 11 of PRIN (Relations with regulators), requires a firm must deal with its regulators in an open and cooperative way, and to disclose to the Authority appropriately anything relating to the firm of which the Authority would reasonably expect notice.