
FINAL NOTICE

To: Croydon Branch Union of Communication Workers Credit Union Limited

**Of: 1 Addiscombe Road
Croydon
CR9 6AB**

Dated: 16 April 2004

TAKE NOTICE: The Financial Services Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS (“the FSA”) gives you final notice about a decision to cancel the permission granted to Croydon Branch Union of Communication Workers Credit Union Limited (“CBCU”) to carry on a regulated activity.

1. ACTION

The FSA gave CBCU a Decision Notice on 10 March 2004 (“the Decision Notice”) which notified CBCU that for the reasons listed below and pursuant to section 45 of the Financial Services and Markets Act 2000 (“the Act”), the FSA had decided to cancel the permission granted to CBCU pursuant to Part IV of the Act (“CBCU's Part IV permission”).

2. REASONS FOR ACTION

On the basis of the facts and matters and the conclusions described in its Warning Notice dated 2 February 2004 and in the Decision Notice, it appears to the FSA that CBCU is failing to satisfy the threshold conditions as set out in Part 1 of Schedule 6 to the Act (“the threshold conditions”) in that, in the opinion of the FSA, the resources of CBCU are not adequate in relation to the regulated activity it carries on.

By virtue of section 45(1)(a) of the Act, which gives the FSA the power to cancel a firm's Part IV permission if it is considered appropriate to do so, the FSA has today cancelled CBCU's Part IV permission. A copy of the relevant extract of the Warning Notice is attached to and forms part of this Notice.

3. IMPORTANT

This Final Notice is given to CBCU in accordance with section 390(1) of the Act.

Publicity

Sections 391(4), 391(6) and 391(7) of the Act apply to the publication of information about the matter to which this Final Notice relates. Under those provisions, the FSA must publish such information about the matter to which this Final Notice relates as the FSA considers appropriate. The information may be published in such manner as the FSA considers appropriate. However, the FSA may not publish information if such publication would, in the opinion of the FSA, be unfair to CBCU or prejudicial to the interests of consumers.

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

FSA Contacts

For more information concerning this matter generally, you should contact James Bennett at the FSA (direct line: 020 7066 9980 /fax: 020 7066 9722).

John Kirby
Manager - Retail Selling – Enforcement Division

EXTRACT FROM WARNING NOTICE DATED 2 FEBRUARY 2004

REASONS FOR ACTION

"Facts and matters relied on

CBCU is a version 1 credit union and has permission under Part IV of the Act ("CBCU's Part IV permission") to conduct the regulated activity of accepting deposits.

On 15 May 2003 CBCU provided financial information to the FSA, on the basis of which it appeared to the FSA that CBCU was insolvent.

CBCU was declared "in default" by the Financial Services Compensation Scheme ("FSCS") on 15 October 2003. This means that, based on CBCU's financial position of net liabilities amounting to £157,005, the FSCS was satisfied that CBCU was unable, or likely to be unable, to repay all of its depositors.

Conclusions

The facts and matters described above lead the FSA, having regard to its regulatory objectives, to the following conclusions:

- in breach of CRED Rule 8.3.1, CBCU has failed to maintain a positive amount of capital at all times;
- that failure is material in relation to the regulated activity for which CBCU has permission and CBCU therefore fails to satisfy Threshold Condition 4: Adequate resources;
- CBCU is therefore failing to satisfy the threshold conditions in relation to the regulated activity for which CBCU has Part IV permission."