
FINAL NOTICE

To: **Easy Exchange Limited**

Address: **5 Hampden Road
Beckenham
Kent
BR3 4HD**

FRN: **524192**

Dated: **8 January 2025**

ACTION

1. For the reasons set out in this Final Notice, the Authority hereby takes the following action against Easy Exchange Limited ("the Firm").
2. Pursuant to Regulations 10(1)(e) and 10(1)(h) (as applied by Regulation 15) of the Payment Services Regulations 2017, the Authority has cancelled the Firm's registration as a Small Payment Institution.
3. The Authority issued to the Firm the Decision Notice, which notified it of the Authority's decision to take the action specified above. The Firm has not referred the matter to the Tribunal within 28 days of the date on which the Decision Notice was issued to it.
4. Accordingly, the Authority has today cancelled the registration of the Firm, as a Small Payment Institution.

SUMMARY OF REASONS

5. On the basis of the facts and matters set out in this Notice, the Authority has concluded that the Firm is no longer meeting the conditions for registration as a Small Payment Institution under the Payment Services Regulations 2017. In particular, the Firm is not meeting its conditions for registration by failing to register with HMRC for supervision as required under the PSRs and has failed to submit its returns.

DEFINITIONS

6. 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;

"the Decision Notice" means the Decision Notice issued by the Authority to the Easy Exchange Limited dated 1 November 2024;

"EG" means the Authority's Enforcement Guide;

"the Firm" means Easy Exchange Limited;

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

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

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

"the PSRs" means the Payment Services Regulations 2017;

"Return" means the annual regulatory report submitted by a SPI to the Authority using form FSA057;

"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

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

FACTS AND MATTERS

8. The Firm was registered by the Authority as a SPI to provide payment services of money remittance on 13 January 2019.
9. SPIs are required by rules made by the Authority under the PSRs to report certain information to the Authority, by way of a Return, on an annual basis. The Return is made

by submitting a form FSA057 which includes details of the payment services provided by the SPI in the preceding year.

10. The Firm has failed to submit its FSA057 for the years 2021, 2022, and 2023 despite repeated requests from the Authority to do so.
11. SPI money remitters are also required under the PSRs to register with HMRC for supervision under the MLRs. The Firm is not listed on the HMRC's MLR register.
12. On 19 February 2024, the Authority sent the Firm an email noting that the Authority may take action under the PSRs to cancel the registration of payment firms who do not appear to be providing payment services and inviting the firm to cancel its registration. The Firm did not respond and did not cancel its registration.
13. On 16 May 2024 the Authority sent the Firm a letter setting out the following:
 - a) the Firm was not meeting its conditions for registration as an SPI by failing to register with HMRC for supervision as required under the MLRs;
 - b) the Firm has failed to submit the Returns; and
 - c) the Authority will now take action to cancel the Firm's registration as an SPI.
14. The Firm did not respond and to date has failed to submit the Returns.

FAILINGS

15. The Authority has concluded that 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 is not registered with HMRC. Despite repeated requests by the Authority that the Firm applies to cancel its registration, it has failed to do so. Accordingly, the Authority proposes to cancel the Firm's registration as an SPI in accordance with Regulation 10(1)(e) of the PSRs (as applied by Regulation 15).
16. The Authority has further concluded, on the basis of the facts and matters described above, that by failing to submit the Returns for the last three years and to respond adequately to the Authority's repeated requests that it do so, the Firm has failed to demonstrate a readiness and willingness to comply with its ongoing regulatory obligations and to deal with the Authority in an open and co-operative way. This provides a basis for cancelling the Firm's registration in accordance with regulation 10(1)(h) (as applied by regulation 15) of the PSRs in order to protect consumers.
17. For the reasons set out in this Notice, the Authority has cancelled the Firm's registration as a SPI.

PROCEDURAL MATTERS

18. 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 PSR's).

Decision maker

19. 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

20. Sections 391(4), 391(6) and 391(7) of the Act (as applied by paragraph 10 of Schedule 6 of 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.
21. The Authority intends to publish such information about the matter to which this Final Notice relates as it considers appropriate.

Authority contact

21. For more information concerning this matter generally, the Firm should contact Phoebe Lake at the Authority (direct line: 0113 541 2075).

Jeremy Parkinson
Enforcement and Market Oversight Division

ANNEX

RELEVANT STATUTORY PROVISIONS

1. The Authority's operational objectives established in section 1B(3) 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 a small payment institution 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 firm. The register in which the Firm must be included under the Regulations 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) gives the Authority the power to cancel the registration of a small payment institution where the firm does not meet, or is unlikely to continue to meet, any of the conditions set out in regulation 14(4) to (11) (conditions for registration as small payment institution).
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.
6. Regulation 109 of the PSR provides:

"(1) A person must give the [Authority] such information as the [Authority] may direct in respect of its provision of payment services or its compliance with requirements imposed by or under Parts 2 to 7 or regulation 105 (access to bank accounts).

(2) Information required under this regulation must be given at such time and in such form, and verified in such manner, as the [Authority] may direct."

RELEVANT HANDBOOK PROVISIONS

7. In exercising its powers to cancel the registration of a SPI, 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.

Submission of Returns

8. SUP 16.13.3D requires a small payment institution to submit to the Authority a duly completed return as set out in the table in SUP 16.13.4D.

9. The table in SUP 16.13.4D directs that a small payment institution is required to submit the FSA057 return annually, one month from 31 December each calendar year.
10. SUP 16 Annex 28C D specifies the format by which the FSA057 return is to be completed and submitted.

The Enforcement Guide

11. The Authority's policy in relation to exercising its enforcement powers is set out in EG, the relevant provisions of which are summarised below.
12. EG 19.20.2 provides that the Authority's approach to enforcing the PSRs will mirror its general approach to enforcing the Act.

EG 19.20.5 provides that, in relation to the PSR, 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.