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## FINAL NOTICE

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**To:** Rashid Akhtar (trading as United Commercial Trading)

**Address:** 11 Marlborough Road  
London  
E4 9AJ

**FRN:** 727459

**Dated:** 4 November 2024

### ACTION

1. On 8 February 2024, the Firm made an application under paragraph 4(2) of Schedule 6A to the Act to annul the Authority's decision to cancel the Firm's Part 4A permission under paragraph 1 of Schedule 6A of the Act.
2. The Authority issued to the Firm the Decision Notice which notified the Firm of the Authority's decision to refuse to annul its decision to cancel the Firm's Part 4A permission. The Firm has not referred the matter to the Tribunal within 28 days of the date of the Decision Notice.
3. Accordingly, pursuant to paragraph 5(2)(c) of Schedule 6A to the Act, the Authority has today refused to annul its decision to cancel the Firm's Part 4A permission.

### SUMMARY OF REASONS

4. The Authority has concluded on the basis of the facts and matters set out below, that it is not satisfied that, in all the circumstances, it is just and reasonable to annul its decision to cancel the Firm's Part 4A permission.

5. This is because the Authority is not satisfied that the Firm was carrying on any regulated activity to which its Part 4A permission related at or immediately prior to the date the cancellation took effect.

## **DEFINITIONS**

6. The definitions below are used in this Final Notice (and in the Annexes):

“the Act” means the Financial Services and Markets Act 2000;

“the Annulment Application” means the application made by the Firm under paragraph 4 of Schedule 6A to the Act;

“the Authority” means the Financial Conduct Authority;

“the Decision Notice” means the Decision Notice issued by the Authority to the Firm dated 16 August 2024;

“the Firm” means Rashid Akhtar (trading as United Commercial Trading);

“the Firm’s Part 4A permission” means the Part 4A permission granted by the Authority to the Firm;

“the Handbook” means the Authority’s Handbook of rules and guidance;

“Notice of Decision” means the notice of decision issued by the Authority to the Firm dated 10 January 2024;

“Part 4A permission” means permission to conduct regulated activities, granted by the Authority under Part 4A of the Act;

“SUP” means the Supervision Manual, part of the Handbook;

“the Tribunal” means the Upper Tribunal (Tax and Chancery Chamber); and

“the Warning Notice” means the warning notice given to the Firm dated 16 July 2024.

## **RELEVANT STATUTORY PROVISIONS**

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

## **FACTS AND MATTERS**

8. The Firm was authorised by the Authority on 14 December 2015 to carry out the following regulated activities in relation to consumer credit business:

- (a) agreeing to carry on a regulated activity;
- (b) credit broking;
- (c) entering into regulated credit agreement as lender (excluding high-cost short term credit, bill of sale agreement, and home collected credit agreement); and
- (d) exercising/having right to exercise lenders rights and duties under regulated

credit agreement (excluding high-cost short term credit, bill of sale agreement, and home collected credit agreement).

9. On 10 January 2024, the Authority gave the Firm the Notice of Decision which stated that the Authority had decided to cancel the Firm's Part 4A permission, with effect from the date of the Notice of Decision.
10. The reason for the cancellation of the Firm's Part 4A permission was that the Authority considered that the Firm was carrying on no regulated activities to which its Part 4A permission related.
11. On 8 February 2024, the Firm submitted the Annulment Application for the annulment of the Authority's decision to cancel the Firm's Part 4A permission.
12. Having considered the Annulment Application, the Authority has concluded that, in all the circumstances, it is not just and reasonable to grant the annulment. This is because the Authority is not satisfied that the Firm was carrying on any regulated activity to which its Part 4A permission related at or immediately prior to the date the cancellation took effect or that the Firm can demonstrate an evidenced intention, ability or concrete plan to commence regulated activity in the near future.
13. The Firm confirmed in the Annulment Application that it was not carrying on any regulated activities at the time the cancellation took effect or in the 12 months preceding that date. This is consistent with the information provided to the Authority by the Firm prior to the Notice of Decision being issued.
14. The Authority's Policy Statement 22/5 (New cancellation and variation power: Changes to the Handbook and Enforcement Guide) stated that only firms that carry on one or more Authority-regulated activities should generally remain authorised to do so<sup>1</sup>. Given that the Firm has confirmed that it was not carrying on any regulated activities, the decision to cancel the Firm's Part 4A permission was correct.
15. Through the Warning Notice, the Authority gave notice that it proposed to refuse to annul its decision to cancel the Firm's Part 4A permission. The Firm was given the opportunity to make representations to the Authority.
16. Having considered the Firm's representations, the Authority gave the Firm the Decision Notice, setting out the Authority's decision not to annul its decision to cancel the Firm's Part 4A permission.
17. The Firm did not referred the matter to the Tribunal within 28 days of the date of the Decision Notice.

## **REPRESENTATIONS**

18. Annex B contains a brief summary of the key representations made by the Firm and how they have been dealt with. In making the decision which gave rise to the obligation to give this Notice, the Authority has taken into account all the representations made by the Firm, whether or not set out in Annex B.

## **ANNULMENT**

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<sup>1</sup> <https://www.fca.org.uk/publication/policy/ps22-5.pdf>

19. From the facts and matters described above and pursuant to paragraph 5(2) of Schedule 6A to the Act, the Authority has refused to annul its decision to cancel the Firm's Part 4A permission on the basis that, in all the circumstances, it is not satisfied that it is just and reasonable to do so.

## **PROCEDURAL MATTERS**

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

### **Decision maker**

21. 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**

22. 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 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.

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

### **Authority contact**

24. For more information concerning this matter generally, the Firm should contact Toby Hiscock at the Authority (direct line: 020 7066 0918).

**Angela Curtis**  
**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. If a person previously holding a Part 4A permission given by the Authority under Part 4A of the Act is aggrieved by the Authority's decision to cancel its Part 4A permission under paragraph 1 of Schedule 6A to the Act, it may apply to the Authority under paragraph 4 of Schedule 6A to the Act to have the decision annulled.
3. In relation to a decision to cancel an Authority-authorized person's Part 4A permission under paragraph 1 of Schedule 6A of the Act, paragraph 5(2) of Schedule 6A of the Act permits the Authority to:
  - (a) annul the decision unconditionally;
  - (b) annul the decision subject to such conditions as the Authority considers appropriate;  
or
  - (c) refuse to annul the decision.
4. Paragraph 5(3) of Schedule 6A of the Act provides that the Authority may annul the decision (unconditionally or subject to conditions) only if satisfied that, in all the circumstances, it is just and reasonable to do so.

### **RELEVANT HANDBOOK PROVISIONS**

5. In exercising its power to grant an annulment (with or without conditions) or to refuse to grant an annulment, the Authority must have regard to the regulatory requirements and guidance published in the Handbook and in regulatory guides. The main considerations relevant to the matters stated in this Final Notice are set out below.

#### **Guidance concerning annulments**

6. Guidance on annulments is set out in SUP.

#### SUP 7.4 – Annulment of FCA decision to exercise its additional own-initiative variation powers

7. SUP 7.4.4G states that in determining whether and subject to what conditions it is just and reasonable to annul a decision to cancel an Authority-authorized Part 4A permission under Schedule 6A of the Act, the Authority will consider all the relevant circumstances, including, without restriction:
  - (1) the applicant firm's reasons for failing to respond as directed to the relevant notices served on it under paragraph 2 of Schedule 6A of the Act;
  - (2) what explanation the firm has for the facts that led the Authority to form the view that it was no longer carrying on any regulated activity to which its permission related; and

- (3) if applicable, what remedial steps the firm proposes to take in relation to those.
8. SUP 7.4.5G sets out other factors the Authority may consider when deciding whether and subject to what conditions it is just and reasonable to annul a decision to cancel an Authority-  
authorised Part 4A permission under Schedule 6A of the Act.

## ANNEX B

### REPRESENTATIONS

1. On 28 July 2024, the Firm provided representations in the form of a letter sent via email in response to the Warning Notice. A summary of the Firm's key representations (in bold), and the Authority's conclusions in respect of them, are set out below:
2. **The Firm stated that it is being punished for an uncommitted crime and that it is being blackmailed for something it did not do.**
  - (1) The Firm is not being blackmailed and has not been accused of committing a crime by the Authority. The action taken against the Firm was regulatory in nature and in line with the Authority's publicly stated policy concerning firms that do not use their permissions as set out in PS22/5.
3. **The Firm stated that in 2015, it applied for permission to carry out unregulated financial activity and instead had Part 4A permission imposed upon it.**
  - (1) In November 2015, the Firm applied for Authority authorisation. In its application, the Firm ticked the following boxes:
  - (2) Limited permission lending – specified in the application form as including the regulated activities of 'Entering into a regulated credit agreement as Lender (Excluding high-cost short-term credit, bill of sale loan agreement, and home credit loan agreement)' and 'Exercising or having the right to exercise the lender's rights and duties under a regulated credit agreement (excluding high-cost short-term credit, bill of sale loan agreement, and home collected credit loan agreement)'; Limited permission credit broking – specified in the application form as including the regulated activity of 'Credit Broking'; and Agreeing to carry on a regulated activity.
  - (3) The permissions noted above are the permissions that were granted to the Firm on 14 December 2015 and are all regulated activities specified within The Financial Services and Markets Act 2000 (Regulated Activities) Order 2001. The permissions were granted under Part 4A of the Act and therefore the Firm did apply for Part 4A permission as defined in s.55A(5) of the Act.
  - (4) The assertion that the Firm did not apply for the Part 4A permission it was given is therefore untrue. Furthermore, the Firm would not need to apply to the Authority for permission to carry out non-regulated financial activity as it is, by definition, unregulated.
4. **The Firm stated that it was told by the Authority that it was okay for it not to use its permissions.**
  - (1) The Firm has not provided evidence of this call and the Authority has not been able to find a record of the Firm being told this. In any case, the Authority has been clear on its policy towards firms that are not using their permissions as laid out in PS22/5 and numerous news publications<sup>2</sup>.

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<sup>2</sup> <https://www.fca.org.uk/news/press-releases/fca-move-faster-remove-unused-firm-permissions>; <https://www.fca.org.uk/news/press-releases/fca-strengthens-consumer-protection-speeding-removal-firms-do-not-use-regulatory-permission>

5. **The Firm questioned why it took the Authority so long to act against the Firm if the Authority considers use of permissions a priority.**

- (1) In January 2021, the Authority reminded firms to review their permissions and to apply for cancellation where they have not used them for a period of 12 months or more<sup>3</sup>. This reminder came in anticipation of the introduction of the Authority's additional own-initiative variation power under Schedule 6A of the Act.
- (2) In May 2022, the Authority published PS22/5, its policy statement on the new cancellation and variation power and the associated changes to the Handbook and Enforcement Guide. Considering that the Authority regulates approximately 45,000 firms<sup>4</sup>, Enforcement considers that the time between the publishing of PS22/5 in May 2022 and the first notice being sent to the firm on 27 September 2023 is not disproportionate.
- (3) Furthermore, it is unclear how any delay in taking enforcement action has prejudiced the Firm. Rather, it would have resulted in the Firm having extra time to commence regulated activity.

6. **The Firm stated that now it has shown interest in using regulated permissions it has been denied the opportunity.**

- (1) The Firm had almost a decade to use its permissions but failed to do so.
- (2) Furthermore, the Firm failed to articulate how it would carry out its proposed business using only the permissions it previously held. Therefore, it would be inappropriate to annul the Firm's cancellation to enable it to carry out this plan. The Firm has not been denied the opportunity to carry on regulated activities and is welcome to reapply for authorisation.

7. **The Firm stated that the Authority failed to clarify the consequences of its action on the unregulated activities the Firm had applied for.**

- (1) The Firm applied for permission to carry out regulated (and not unregulated) activities. The consequences of the action in relation to these regulated activities was set out clearly in each of the notices sent to the Firm prior to cancellation.
- (2) Furthermore, with respect to unregulated activities, guidance was provided to the Firm on numerous occasions and the Authority advised the Firm to seek independent advice. It is the Firm's responsibility to understand the permissions it does or does not need to carry out its business model.

8. The Authority considers that, by its own admission, the Firm has never carried on regulated activity despite having had since 2015 to do so. The Authority also considers that none of the representations put forward by the Firm change the decision of 10 January 2024 to cancel the Firm's Part 4A permission. It is therefore the Authority's view that it is both appropriate and proportionate to refuse the Annulment Application.

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<sup>3</sup> <https://www.fca.org.uk/news/statements/fca-reminds-firms-regularly-review-regulatory-permissions>

<sup>4</sup> <https://www.fca.org.uk/about/what-we-do/the-fca>