
FINAL NOTICE

**Travel Solutionz Ltd
Unit 1/3, First Floor
Houldsworth Mill
Houldsworth Street
Reddish
Cheshire
SK5 6DA**

24 May 2012

ACTION

1. By an application received by the FSA on 13 July 2010 (“the Application”) Travel Solutionz Ltd (“Travel Solutionz”) applied under Regulation 12 of the Payment Services Regulations 2009 (“the PSRs”) for registration as a small payment institution and to perform the following payment services:
 - (1) Money Remittance;
 - (2) Bill Payment Service Provider
2. The Application is incomplete.
3. For the reasons listed below and pursuant to Regulation 13 of the PSRs, the FSA has refused the Application.

SUMMARY OF REASONS

4. By its Warning Notice dated 22 December 2011 (“the Warning Notice”) issued pursuant to Regulation 9(7) of the PSRs, (as modified by Regulation 14), the FSA gave notice that it proposed to refuse the Application and that Travel Solutionz was entitled to make representations to the FSA about that proposed action.

5. As no representations have been received by the FSA from Travel Solutionz within the time allowed by the Warning Notice, the default procedures in paragraph 2.3.2 of the FSA's Decision Procedure and Penalties Manual apply, permitting the FSA to treat the matters referred to in its Warning Notice as undisputed.
6. By its Decision Notice dated 22 March 2012 ("the Decision Notice"), the FSA gave Travel Solutionz notice that it had decided to take the action described above.
7. Under section 133(1) of the Act, Travel Solutionz had 28 days from the date the Decision Notice was given to refer the matter to the Upper Tribunal (formerly known as the Financial Services and Markets Tribunal). No referral was made to the Upper Tribunal within this period of time or to date.
8. Under section 390(1) of the Act, the FSA, having decided to refuse the Application and there having been no reference of that decision to the Tribunal, must give Travel Solutionz Final Notice of its refusal.
9. The FSA decided to refuse the Application and to give this Final Notice as Travel Solutionz has failed to provide the information required by the FSA, and the FSA has accordingly concluded that Travel Solutionz does not meet the 'Conditions for registration as a small payment institution' set out in Regulation 13 of the PSRs on the basis that:
 - (1) Travel Solutionz has not demonstrated that it complies with a requirement of the Money Laundering Regulations 2007 to be included in a register maintained under those regulations.
 - (2) Enquiries by the FSA have shown that Travel Solutionz has been removed from the HMRC register under the Money Laundering Regulations 2007 on the grounds that it had ceased trading.

DEFINITIONS

10. The definitions below are used in this Final Notice.

“the PSRs” means the Payment Services Regulations 2009

“the FSA” means the Financial Services Authority

“the Act” means the Financial Services and Markets Act 2000 (as modified and applied by the PSRs)

FACTS AND MATTERS

11. The Application for registration as a small payment institution, made under the PSRs, was received on 13 July 2010.
12. Further information was requested from Travel Solutionz to complete the Application but the applicant has not responded. Details of all the communications between the FSA and Travel Solutionz are set out below:

- (1) The FSA sent an email to Travel Solutionz on 26 July 2010 suggesting that it reconsider its application since it had indicated on the Application that it intended to become an agent once registered.
- (2) The firm responded on 5 August 2010 indicating that it would consider the information provided and respond to the FSA.
- (3) The firm sent a second response on 28 August 2010 stating that it had considered the information provided and would like to continue with the registration of Travel Solutionz.
- (4) On 19 November 2010 an email was sent to the firm stating that its application was incomplete and requesting confirmation of Travel Solutionz' registration with HMRC under the Money Laundering Regulations 2007, whether or not the firm would be opting in for safeguarding, and to provide a brief description of the business. Further, a query was raised in relation to the suggestion in the Application that Travel Solutionz was exempt from the Financial Ombudsman Service. The FSA received no response.
- (5) On 30 December 2010 Travel Solutionz was sent an additional email setting out that there was missing information and outlining that, in the absence of a full response to the email or subsequent attempts to contact Travel Solutionz, the FSA would be minded to refuse Travel Solutionz' application and issue a Warning Notice. A copy of the email dated 19 November 2010 was attached.
- (6) On the 5 August 2011 the FSA called both of the contact numbers provided by the Travel Solutionz but did not manage to make contact with the applicant.
- (7) On 5 August 2011 a letter was sent to Travel Solutionz by special delivery to the address provided to the FSA in Travel Solutionz' application. The letter stated that the information requested on 19 November 2010 remained outstanding in respect of the application and that, without a full response the FSA would be minded to refuse Travel Solutionz' application, in the absence of the information required in order to determine the application. The FSA received no response.
- (8) On 24 August 2011 the FSA telephoned the firm again. A voice message was left on the applicant's mobile number stating that we had not had a response and requesting that the firm contact the FSA on the number provided.
- (9) On the 30 August, when it became apparent that the applicant was no longer registered with HMRC under the Money Laundering Regulations 2007, an email was sent to the firm explaining that, since it no longer met the threshold conditions for registration, the FSA may be minded to refuse the application. Travel Solutionz did not respond.
- (10) On 7 September 2011, a further email was sent, again outlining the information that was missing and stating that, without a full response, the FSA would be minded to refuse Travel Solutionz' application and issue a Warning Notice on the grounds that it had failed to provide the information needed for the FSA to determine the application. The FSA received no response.

13. The FSA received no substantive response to any of the communications set out above.

CONCLUSIONS

14. Pursuant to Regulation 13(1) of the PSRs the FSA may refuse an application for registration as a small payment institution if any of the conditions in paragraphs (2) – (6) of Regulation 13 are not met. The Regulations and FSA guidance relevant to this Final Notice are referred to in Annex A.
15. Regulation 13(6) requires that the “applicant must comply with a requirement of the Money Laundering Regulations 2007 to be included in a register maintained under those regulations where such a requirement applies to the applicant”.
16. Travel Solutionz failed to provide the FSA with its HMRC registration number in the Application and thereafter. Further to this, recent investigation shows that Travel Solutionz has been removed from the HMRC register on the grounds that it has ceased trading.
17. On the basis of the facts and matters described above, the FSA has therefore concluded that Travel Solutionz does not satisfy and will continue not to satisfy, the ‘Conditions for authorisation as a payment institution’ (Regulation 13) in relation to all of the payment services for which Travel Solutionz would have permission if the application was granted.

IMPORTANT NOTICES

18. This Final Notice is given to Travel Solutionz pursuant to Schedule 5 Part 1 (7) of the PSRs (which incorporates section 390(1) of the Act).

Publication

19. 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 the 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 Travel Solutionz or prejudicial to the interests of consumers.

FSA contacts

20. For more information concerning this matter generally, contact Jonathan Bromberger, Manager, PSD Team at the FSA (direct line: 020 7066 9080 /email: jonathan.bromberger@fsa.gov.uk).

Hilary Bourne
on behalf of the Regulatory Transactions Committee

ANNEX A – REGULATORY PROVISIONS RELEVANT TO THIS FINAL NOTICE

Relevant Statutory Provisions

The Payment Services Regulations 2009

1. Regulation 9(2) of the PSRs (as applied by regulation 14 to applications for registration as an SPI) provides that the Authority may determine an incomplete application if it considers it appropriate to do so, and it must in any event determine any such application within 12 months beginning with the date on which it received the application.
2. Regulation 12(1) requires an application for registration as a small payment institution to contain, or be accompanied by, the information required by the FSA.
3. Regulation 12(4) states that at any time after receiving an application and before determining it, the FSA may require the applicant to provide it with such further information as it reasonably considers necessary to enable it to determine the application.
4. Regulation 13(1) states that the FSA may refuse to register an applicant as a small payment institution only if any of the conditions set out in paragraphs (2) to (6) are not met.
5. Regulation 13(6) states that the applicant must comply with a requirement of the Money Laundering Regulations 2007 to be included in a register maintained under those Regulations where such a requirement applies to the applicant.
6. Regulation 14 provides for regulations 7 to 11 to apply to registration as an SPI as they apply to authorisation as a payment institution (subject to certain modifications).
7. Schedules 5, Part 1 (7) states that Part 26 of the Act applies with the modifications detailed.

The Act (ie the Financial Services and Markets Act 2000)

8. Part 26 section 390(1) states that if the FSA has given a person a Decision Notice and the matter was not referred to a Tribunal within the time required by the Tribunal Procedure Rules, the FSA must give the person concerned a Final Notice.
9. Part 26 section 391(4) states that the FSA must publish such information about the matter to which a final notice relates as it considers appropriate.
10. Part 26 section 391(6) states that the FSA may not publish information if publication would, in its opinion, be unfair to the person with respect to whom the action was taken or prejudicial to the interests of consumers.
11. Part 26 section 391(7) states that information is to be published in such a manner as the FSA considers appropriate.

Relevant Guidance

“The FSA’s role under the Payment Services Regulations 2009 – Our approach”

12. In exercising its powers in relation to the approval of an application for registration as a small payment institution, the FSA must have regard to guidance published in the FSA’s ‘Our approach’ document, including the section titled ‘Authorisation and registration’. The version of the ‘Our approach’ document current at the date of the application was dated May 2010.
13. The paragraphs relevant to the refusal of the Application are set out below (references to ‘we’ are references to the FSA).
14. Paragraph 3.97: We have to make a decision on a complete application within three months of receiving it. An application is complete when we have received all the information and evidence needed for us to make a decision. We will let the applicant know if we need more information.
15. Paragraph 3.98: In the case of an incomplete application, we must make a decision within 12 months of receipt. However, if that date is reached and discussions with the firm have not resulted in us receiving all the information we need to make our decision, it is likely that an incomplete application will result in a refusal. This is because it is unlikely we will have been able to satisfy ourselves that the applicant has met the authorisation/registration requirements.
16. Paragraph 3.105: We can refuse an application when the information and evidence provided does not satisfy the requirements of the PSRs. When this happens we are required to give the applicant a Warning Notice setting out the reason for refusing the application and allowing 28 days to make a representation on the decision.