



**APPLICATION FOR IMPOSITION OF REQUIREMENT
CHEQUE CENTRES LIMITED**

Interim permission Ref No: 447202

To: The Financial Conduct Authority (the "FCA")

FAO: Nausicaa Delfas

Cheque Centres Limited ("CCL") as an authorised person with permission granted under Part 4A of the Financial Services and Markets Act 2000 (the "Act") hereby applies to the FCA for the imposition of the requirements on its permission set out in the Schedule below:

SCHEDULE

1. General

- i. On 1 April 2014, the FCA took over the regulation of the consumer credit market from the Office of Fair Trading ("OFT"). Prior to this, the OFT informed CCL that it was not complying with the requirement of the Consumer Credit Act 1974, and would not be able to comply with the requirements of the Act and the FCA's Handbook from 1 April 2014.
- ii. In particular, the OFT had serious concerns in relation to CCL's (i) assessment of affordability prior to granting payday loans to customers; (ii) handling of customers in arrears; (iii) handling of vulnerable customers; and (iv) staff incentive schemes.
- iii. As a result, CCL has reviewed its business plan and strategy in relation to its consumer lending and has decided to withdraw from selling single instalment loans, and has decided to voluntarily apply for a requirement to be imposed on its Part 4A permission with immediate effect.
- iv. In addition, CCL has voluntarily suspended consumer lending activity (instalment loans and pawn-broking) and its outbound collection calls to allow it to make all the necessary changes to its policies, procedures and staff incentive schemes to ensure that all of its products are sold in compliance with the FCA's requirements. In addition, all staff are being re-trained and CCL will certify that they meet the necessary regulatory standards. This process is likely to be completed by the end of May 2014. At this point, Mr Andrew Deller, CCL's European Managing Director, will personally attest to the FCA that CCL's products will be sold, and debts will be collected, in compliance with FCA requirements. At this point in time, the FCA will permit CCL to restart consumer lending and collections activities.
- v. CCL will also be required to appoint an independent skilled person under section 166 of the Act at a date to be determined by the FCA to assess the effectiveness

of CCL's controls in achieving fair outcomes for customers, including but not limited to performing outcomes testing of both lending decisions and collections activities since the implementation of the revised policies and procedures.

2. Requirement

- i. CCL will permanently cease selling single instalment loans.

Signed by:

A handwritten signature in black ink, appearing to read "A. Dello". The signature is written in a cursive, flowing style.

For and on behalf of Cheque Centres Limited