

## OFT Annual Report and Accounts 2013 to 2014

### Annexe B

#### Consumer Credit statistics, 1 April 2013 to 31 March 2014

##### New licences, renewals and variations

The OFT issues several thousand new consumer credit licences each year and keeps a public register of licensed traders and anyone who has ever applied for a licence (accessed at [www.offt.gov.uk/consumercreditregister](http://www.offt.gov.uk/consumercreditregister)). With a few exceptions, anyone whose business involves offering credit or lending money to individuals, whether directly or as a broker, must be licensed by the Office of Fair Trading under the Consumer Credit Act. The same goes for those who hire out goods, run credit reference agencies, collect credit debts or provide debt counselling, debt adjusting, debt administration, or credit information services.

**Table B.1 – New standard licences**

	<b>2012-13</b>	<b>2013-14</b>	<b>Cumulative totals 1976 to 2014</b>
Applications received	7,349	8,464	664,692
Licences issued	7,224	8,426	638,416
Applications completed but not issued	222	230	-
Still under consideration at 31 March	860	668	-

**Table B.2 – Existing licences: action instigated by licensees**

	<b>2012-13</b>	<b>2013-14</b>
<b>Renewal of licences:</b>		
Applications received	7,016	317
Renewal licences issued	6,932	886
Applications completed but not issued	117	32
Still under consideration at 31 March	620	19
Licences allowed to lapse	17,236	1,563
<b>Maintenance charges:</b>		
Maintenance charges paid	n/a	6,192
Licences terminated following non-payment of maintenance charge	n/a	8,371
<b>Variations of the terms of licences:</b>		
Applications received	3,396	10,631
Variations granted	3,139	10,128
Variations completed but not granted	266	459
Still under consideration at 31 March	251	295
<b>Changes in particulars about licensees:</b>		
Notifications received	6,098	11,251
<b>Voluntary surrender of licences:</b>		
Notices of surrender received	524	967

## Refusal, revocation, and variation of licences, and the imposition of requirements

Licences can be refused or revoked by the OFT if, after following established procedures, we remain unsatisfied that the trader is fit to have one. Local Authority Trading Standards Services play an essential role in this field, both by providing information about applicants and licensees, and by assisting in subsequent investigations. Following the implementation of the Consumer Credit Act 2006 (in April 2008), requirements can be imposed where the OFT is dissatisfied with any matter in connection with a business or a proposal to carry on a business. Requirements may oblige a business to do or not to do (or to cease doing) anything connected with addressing the matter with which the OFT is dissatisfied.

## Complaints

The OFT has received a total of 5,090 complaints about licensed traders in 2013-14.

## Notices issued

In 2013-14, the OFT served **54** notices on applicants and licensees about their fitness to be granted, or to retain, a licence. These included **2** notices which were issued in relation to the compulsory variation of a group licence and the exclusion of a member from a group licence. The **54** notices issued during the period were made up as follows:

Minded to refuse a licence application	<b>26</b>
Minded to revoke an existing licence	<b>10</b>
Minded to refuse a renewal of an existing licence	<b>10</b>
Minded to suspend a consumer credit licence	<b>4</b>
Minded to impose conduct requirements	<b>1</b>
Minded to revoke an existing licence and refuse an application to vary	<b>1</b>
Minded to compulsorily vary a group licence to exclude a member	<b>1</b>
Minded to exclude a member from a group licence	<b>1</b>

## **Suspension Notices**

Since February 2013 the OFT has had the power to suspend a consumer credit licence where it appears urgently necessary to do so for the protection of consumers. In 2013-14 the OFT issued 4 notices of an intention to suspend a consumer credit licence with immediate effect. Details of these notices and their outcomes are set out in Table B.3 below.

## **Representations**

Anyone who receives a notice has the opportunity to make oral or written representations, or both, against the proposed course of action. This financial year there was a decrease in the number of oral representations, with 27 oral hearings taking place, compared to 31 in the previous financial year. Overall traders made representations in 69% per cent of the cases concluded.

Where no representations are made then the Adjudicator determines the notice in accordance with the proposed course of action in the notice. In all adverse determinations the trader has a right of appeal to the First Tier Tribunal (Consumer Credit).

**Table B.3 – Licensing decisions: case details for 2013-14**

**Refusals of applications for a standard licence (including, where noted, refusals to renew existing licences)**

**Determinations against which there was no appeal**

<b>Determination Date</b>	<b>Licence/ Application #</b>	<b>Case Title</b>
07/03/2013	647081	Elif Yildiz*
18/03/2013	653586	Peter Sant*
15/04/2013	654987	Pay Me 2Day Limited
30/04/2013	649936	HMC Furniture Limited
01/05/2013	653351	SRK Consultants Limited
30/05/2013	653543	Qamran Ali
14/06/2013	642378	John Stephen Radford
01/07/2013	651742	Paul Stephen Best
02/07/2013	650599	The Wheel Deal Limited
09/07/2013	651909	Bahar Ali
11/07/2013	654649	Ashley Gore
15/07/2013	645585	MM Financial Advice Services Limited
19/07/2013	652898	UK Financial Administrators Limited
12/08/2013	656970	Barry Lloyd
20/09/2013	593970	Thornhill Marketing Limited**
13/01/2014	649489	Abbas Kaya
05/02/2014	653515	Leon Noel Franklin

\* The appeal period for these determinations had not expired by 31 March 2013.

\*\* Determination to refuse renewal of an existing licence.

**Determinations for which the appeal period had not expired by 31 March 2014**

<b>Determination Date</b>	<b>Licence/ Application #</b>	<b>Case Title</b>
05/03/2014	653367	GS Cars UK Limited
19/03/2014	647946	Debt Plan UK Ltd
27/03/2014	651315	Managed Debt Services Limited

## Determinations where an appeal was pending at 31 March 2014

<b>Determination Date</b>	<b>Licence/ Application #</b>	<b>Case Title</b>
27/01/2014	614989	HFO Capital Limited*
27/01/2014	555914	HFO Services Limited*
27/01/2014	533469	Roxburghe (UK) Limited*

\* Determination to refuse renewal of an existing licence.

## Determinations where an appeal was withdrawn

<b>Determination Date</b>	<b>Licence/ Application #</b>	<b>Case Title</b>
14/01/2013	592088	Welcome Solutions Limited*
05/08/2013	656152	B G Trading Auto Ltd

\* Determination to refuse renewal of an existing licence. S34A authorisations granted. Appeal was pending at 31 March 2013.

## Determinations where an appeal was dismissed

<b>Determination Date</b>	<b>Licence/ Application #</b>	<b>Case Title</b>
19/04/2011	633126	Barons Bridging Finance 1 Limited*
19/04/2011	478145	Reddy Corporation Limited**
06/08/2012	643922	Vasoulla Cng Kissias***
08/01/2013	511240	Debt Connect (U.K.) Limited****

\* Appeal to the First Tier Tribunal was dismissed in 2012-13. Permission was sought to appeal to the Upper Tribunal; this was refused in 2013-14.

\*\* Determination to refuse renewal of an existing licence. Appeal to the First Tier Tribunal was dismissed in 2012-13. Permission was sought to appeal to the Upper Tribunal; this was refused in 2013-14.

\*\*\* Appeal was pending at 31 March 2013.

\*\*\*\* Determination to refuse renewal of an existing licence. S34A authorisations granted. Appeal was pending at 31 March 2013.

## Determinations where an appeal was dealt with by way of a consent order

<b>Determination Date</b>	<b>Licence/ Application #</b>	<b>Case Title</b>
29/08/2013	603516	John Christian Kane*

\* Determination to refuse renewal of an existing licence.

## Revocations of existing licences

### Determinations against which there was no appeal

<b>Determination Date</b>	<b>Licence #</b>	<b>Case Title</b>
06/03/2013	625352	Abdul Kamal Chowdhury*
01/07/2013	621349	Michael Lawrence Anthony**
28/11/2013	631227	Ansar Ali

\* The appeal period for this determination had not expired by 31 March 2013.

\*\* This was a composite of two determinations: to refuse a variation application and to revoke an existing licence.

### Determinations where an appeal was pending at 31 March 2014

<b>Determination Date</b>	<b>Licence #</b>	<b>Case Title</b>
15/01/2014	606022	Hillmoren Limited

### Determinations where an appeal was dismissed

<b>Determination Date</b>	<b>Licence #</b>	<b>Case Title</b>
13/12/2011	474281	Bridging Loans Ltd.*
13/12/2011	630096	Commercial Loans Ltd.*
13/12/2011	629609	Deaconsbank Limited.*
13/12/2011	630187	Development Finance Ltd.*
13/12/2011	628975	Residential Loans Ltd.*
06/03/2012	635425	Premier Finance(GB) Ltd**
08/01/2013	641507	Connected Claims Limited.***

\* Appeals were pending at 31 March 2013.

\*\* Appeal to the First Tier Tribunal was dismissed in 2012-13. Permission was sought to appeal to the Upper Tribunal; this was withdrawn in 2013-14.

\*\*\* S34A authorisations granted. Appeal was pending at 31 March 2013.

## Determinations where an appeal was dealt by way of a consent order

<b>Determination Date</b>	<b>Licence #</b>	<b>Case Title</b>
14/11/2012	610509	First Step Finance Limited.*

\* S34A authorisations granted. Appeal was pending at 31 March 2013.

## Licence suspensions

<b>Determination Date</b>	<b>Licence #</b>	<b>Case Title</b>
17/06/2013	647582	Donegal Finance Ltd*
22/07/2013	656138	Andrew James T/A Apex Car Finance
17/12/2013	646881	Jonathan Edward Rochford
03/03/2014	615977	Micro Lend UK Limited

\* This consumer credit licence was surrendered on 20 July 2013 as a result of the suspension case.



## Imposition of requirements

### Impositions against which there was no appeal

<b>Determination Date</b>	<b>Licence/ Application #</b>	<b>Case Title</b>	<b>Source</b>
29/11/2013	326385	G. & J. Geddis Ltd.	Proposal from trader
10/12/2013	435634	European Change Consulting Limited	Proposal from trader
13/02/2014	396212	Tower Capital Limited	Proposal from trader
24/03/2014	541223	Capital Cash Limited	Proposal from trader
26/03/2014	637661	Cash Choice UK Ltd	Proposal from trader

### Determinations where an appeal was withdrawn

<b>Determination Date</b>	<b>Licence/ Application #</b>	<b>Case Title</b>	<b>Source</b>
21/05/2012	611974	WDFC UK Limited (formerly Wonga.com Limited)	Formal notice by OFT
21/05/2012	611997	Wonga.Com Limited (formerly Samedaycash Limited)	Formal notice by OFT
21/05/2012	597616	Wonga Group Limited (formerly Quickbridge Limited)	Formal notice by OFT
21/05/2012	644080	Wonga Customer Services (Pty) Limited (formerly Dialstat Trading 118 (Pty Limited)	Formal notice by OFT
21/05/2012	648409	Wonga Technology Limited	Formal notice by OFT
21/05/2012	648408	Wdfc Sa (formerly Wonga International S.A)	Formal notice by OFT

Note: one appeal covered all six of these actions. This appeal was still pending at 31 March 2013.

## Group Licences

### Group licence which was compulsorily varied to exclude a member

<b>Determination Date</b>	<b>Group Licence #</b>	<b>Name</b>	<b>Name of excluded member</b>
27/01/14	G90001	The Law Society of England & Wales	Mr Alasdair Turnbull

**Table B.4 - Licensing Decisions and Appeals**

<b>Notices served on applicants and licensees regarding fitness:</b>	<b>2012-13</b>	<b>2013-14</b>
• number served	90	54
• not determined in earlier years	27	26
<b>Totals</b>	<b>117</b>	<b>80</b>

<b>Cases concluded as follows:</b>		
• favourable determination	23	18
• adverse determination	54	32
• application withdrawn	5	4
• licence surrendered	1	2
• application made of no effect	0	0
• licence expired	0	0
• 'Minded to' notice withdrawn	4	12
• other outcomes	4	5
• still under consideration at end of period	26	7*
<b>Totals</b>	<b>117</b>	<b>80</b>

\*These notices were passed to the FCA to determine

<b>Appeals to the First Tier Tribunal:</b>		
• lodged	15	7
• brought forward from earlier years	14	11
<b>Totals</b>	<b>29</b>	<b>18</b>

<b>Disposed of as follows:</b>		
• upheld	0	0
• part allowed	1	0
• dismissed	7*	8
• struck out	1	0
• withdrawn	6	3**
• dealt with by way of consent order	2	2
Remitted to OFT	1	0
• still under consideration	11**	5
<b>Totals</b>	<b>29</b>	<b>18</b>

\* Three of these appellants are seeking permission to appeal to the Upper Tribunal. These appeals were dismissed in 2013-14

\*\* One of these appeals relates to six separate licensees.

**Table B.5 – Applications with Minded To Refuse or Minded To Grant In Different Terms issued**

Period	Motor Trader	Home Maintenance & Fitted Appliances	Mortgage & Secured Credit	Non - Status Lendin g	Debt Collectors & Investigator s	Other Financial Services	Sale & Lease of Commercial Equipment	Other (Misc.)	Total
2012-13	13	7	5	0	2	28	0	9	<b>64</b>
2013-14	14	4	1	0	0	17	0	0	<b>36</b>

**Table B.6 – Licences with Minded To Revoke or Minded To Compulsorily Vary issued**

Period	Motor Trader	Home Maintenance & Fitted Appliances	Mortgage & Secured Credit	Non - Status Lending	Debt Collectors & Investigators	Other Financial Services	Sale & Lease of Commercial Equipment	Other (Misc.)	Total
2012-13	2	3	5	0	0	9	0	0	<b>19</b>
2013-14	2	0	2	0	0	7	0	0	<b>11</b>

**Table B.7 – Licences with Minded To Impose or Vary Conduct Requirements**

Period	Motor Trader	Home Maintenance & Fitted Appliances	Mortgage & Secured Credit	Non - Status Lendin g	Debt Collectors & Investigator s	Other Financial Services	Sale & Lease of Commercial Equipment	Other (Misc.)	Total
2012-13	0	0	0	0	0	6	0	1	<b>7</b>
2013-14	0	0	0	0	0	1	0	0	<b>1</b>

## Validation Orders

In the financial year 2013-14, the OFT received fourteen validation order applications. Validation orders allow agreements made while traders were not licensed to be treated as though they had been licensed. When these applications are assessed, in addition to any other relevant factors, the OFT considers whether the applicant is to blame for the unlicensed trading, whether the applicant's conduct causes prejudice to the customers concerned, and whether it is likely that a licence would have been issued had a proper application been made during the period of unlicensed trading. Nevertheless, the granting of an order does not mean that an agreement is automatically enforceable and, in certain circumstances, the trader may still have to pursue enforcement through the courts.

**Table B.6 – Validation orders sought: 2011-2014**

Year	Orders made	Applications withdrawn or made of no effect	Orders refused	Orders granted in different terms	Cases decided	Outstanding cases
2011-12	4	1	0	1	6	7
2012-13	2	3	0	0	5	15
2013-14	10	16	0	3	29	0

## Group Licences

### General Notices

One\* licence was granted and three\*\* licences were renewed in 2013-14.

**Table B.7 – Group licences in effect on 31 March 2014**

<b>Organisations</b>	<b>Categories of Business</b>
Law Society of England and Wales**	A, C, D, E, F, G, H
Law Society of Scotland	A, C, D, E, F, G, H
Law Society of Northern Ireland	A, C, D, E, F, G, H
National Association of Citizens Advice Bureaux	D, E, H
Liquidators and Receivers	A, B, C, D, E, F, G, H, I
Association of Chartered Certified Accountants	A, C, D, E, G, H
Institute of Chartered Accountants in England and Wales	A, C, D, E, G, H
Institute of Chartered Accountants in Ireland	A, C, D, E, G, H
Institute of Chartered Accountants in Scotland	A, C, D, E, G, H
Scottish Association of Citizens Advice Bureaux**	D, E, H
Advice UK	D, E, H
Cycle to Work Scheme	B
National Federation of Enterprise Agencies	C, D, E
Law Centres Federation**	D, E, H
Northern Ireland Association of Citizens Advice Bureaux	D, E, H
Christians Against Poverty	D, E, H
Insolvency Practitioners Association*	C, D, E, F, G, H

### Licence categories:

- A Consumer credit business
- B Consumer hire business
- C Credit brokerage
- D Debt adjusting (includes non-commercial where relevant)
- E Debt counselling (includes non-commercial where relevant)
- F Debt collecting
- G Debt administration
- H Provision of credit information services (includes non-commercial where relevant)
- I Credit reference agency

## **Directions and Determinations**

### **S60(3)**

Under section 60(3) of the Consumer Credit Act 1974 a consumer credit business, can apply to the OFT to vary or waive the Act's requirements relating to the form and content of agreements if it is impracticable for the applicant to comply with them.

**17 directions issued**

**0 applications refused**

### **S101(8)**

Section 101 of the Consumer Credit Act concerns the right to terminate hire agreements. Sub-section (8) gives the Office of Fair Trading the power to direct that this right shall not apply to certain agreements.

**0 directions issued**

**0 applications refused**

### **Overdrafts on current accounts**

By determinations made under section 74(3), on certain conditions – including notification to the OFT – banks and building societies are exempt from some of the Consumer Credit Act's requirements when they advance overdrafts on current accounts or finance certain defined probate agreements. (The exemptions cover requirements relating to pre-contract information, the form and content of agreements and copy documents).

**0 determinations issued**

**0 applications refused**

## **Powers of entry and inspection**

**25 applications** were made seeking the OFT's authorisation under section 162(5) of the Consumer Credit Act to use powers of inspection for bank account records.

The OFT exercised its power under section 36B of the Consumer Credit Act to require the provision of information or documents from 51 businesses.

The OFT exercised its power under section 36C of the Consumer Credit Act to require access to the premises of 13 licensed businesses in order to observe the carrying on of that business.