
Consumer Credit Licence

Forthcoming Changes

From 1 April 2014, the Financial Conduct Authority (FCA) will take over the regulation of the consumer credit industry from the Office of Fair Trading.

This will mark the beginning of very different regime, with greater supervision and enforcement of standards. In future, consumer credit firms will have to be authorised by the FCA.

If you currently hold an OFT licence and you want to continue to carry out consumer credit activities after 1 April 2014, you must register with the FCA for interim permission.

To get interim permission you need to register and pay a fee - £350 for most firms and £150 for sole traders. This will cover you until you need full authorisation.

If you don't register by 31 March 2014, you will no longer be able to legally continue with consumer credit related activities.

If you register before the end of November you will receive a 30 % discount.

Why do I have to pay when I have already paid?

You are paying for something different. The payment you have made to the OFT is for a licence to carry out consumer credit work until 1 April 2014. The payment for interim permission covers you for the period from April 1 until your firm is fully authorised.

You may well be entitled to a rebate if your payment to the OFT covers a period beyond 1 April 2014.

Why do I need a licence?

You need an OFT licence to carry out consumer credit activity up until 1 April 2014. You need interim permission from the FCA to carry out that activity beyond that date.

How do I register for the interim license?

You can register on the FCA website. In the future, the new system will be called '**authorisation**' rather than '**licensing**'. During the transition to the new system, you need interim permission to continue trading.

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What are the differences in licence categories?

It is important that you identify the credit activities that you actually carry out - you will need to state these on your application for interim permission. There are ten categories that could apply and it can be challenging deciding which one is applicable. We encourage you to review the information on the [Office of Fair Trading's website](#).

Getting authorised from 1 April 2014

After 1 April 2014, you will need to complete a more detailed application process for FCA authorisation.

The application form for authorisation will ask for information about your business, its structure and financial resources. You will need to demonstrate that you satisfy our minimum standards and will continue to satisfy them as long as you are authorised. These standards are known as 'threshold conditions'.

You will still be able to carry out regulated credit activities using your interim permission while you are waiting for the outcome of your application for authorisation.

If your application for authorisation is successful, you will be sent a confirmation letter with a unique reference number

For further information, please do not hesitate to contact us on 024 7625 1333 or email accts@leigh-christou.co.uk

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