



Consumer Credit Licence

Overview and FCA Changes



Background

- **Consumer Credit Licence - What is it?**
- Required by businesses carry out consumer credit activities
- Office of Fair Trading (OFT) ➡ Financial Conduct Authority (FCA) 2015
- **Why?**
- Money Advice
- Debt Counselling, Debt Adjusting and limited credit broking



FCA Senior Management & Certification Regime – Limited Scope

- Our licence requires an 'Approved Person' to carry out controlled function:

CF8 – Apportionment & Oversight

- Previously Mark Potter ➡ Brian Pickett
- 'Approved Persons' on 9th Dec 2019 moved over to the new regime as a 'Senior Manager' carrying out Senior Management Function (SMF):

SMF29 – Limited Scope

- Why?
 - Accountability
 - Responsibility
 - Fairness



Statement of Responsibilities

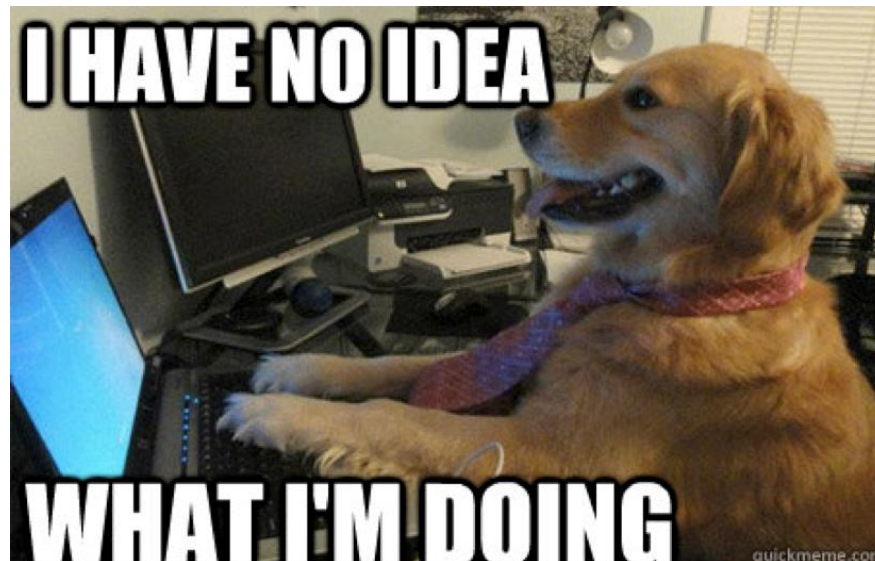
- Required for all individual Senior Managers
- To be prepared and available on request
- Submitted with any future new Senior Manager applications



Certification Regime

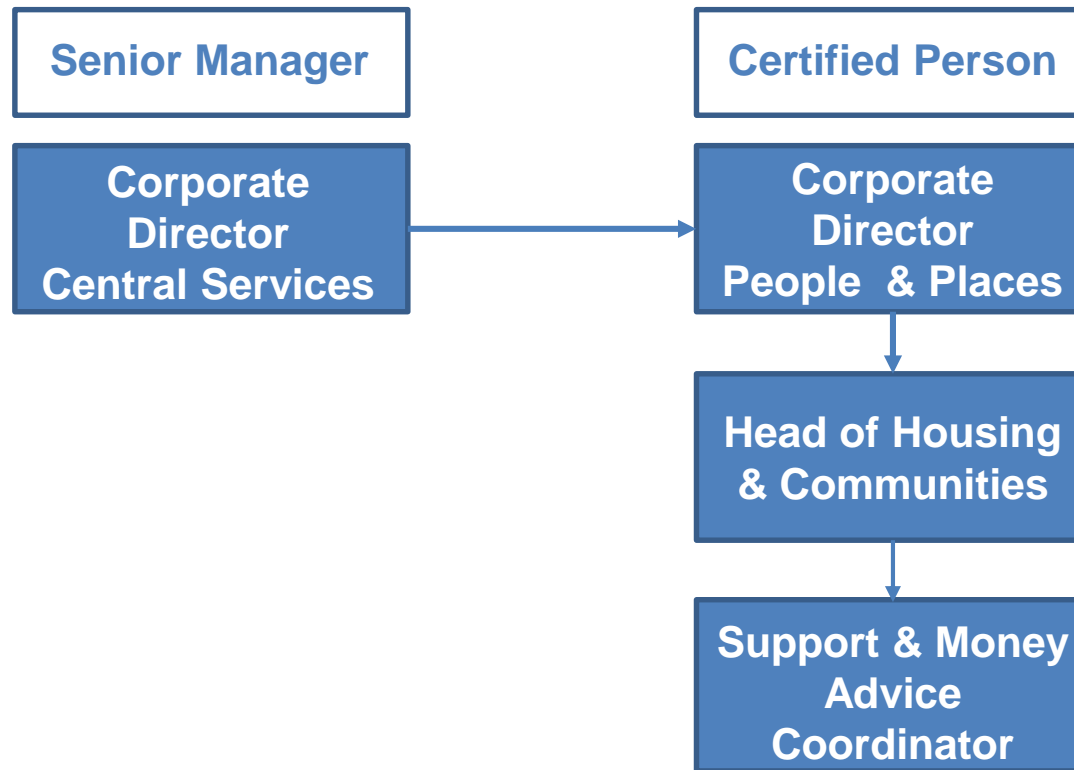
Q: What is it?

A: Goes beyond Senior Managers and down to the suitability of persons carrying out certain specified and regulated roles



Certification Regime – How will this look?

- Applies to those overseeing and supervising a certified function



Certification Process – next 12 months

- 9th December 2020
- We need to certify that each person carrying out a ‘certified function’ is ‘fit and proper’
- Develop an internal fit and proper test which will need to be carried out annually and links in with future recruitment and records management
 - DBS
 - Appraisals
 - Training/Qualifications
 - Disciplinary issues/misconduct
 - Financial probity and personal solvency
 - Look at fraud/dishonesty (civil or criminal)

Certification Process – next 12 months

References

- FCA standard template
- Request a reference from employers for last 6 years
- Disclose and findings that the person isn't fit and proper and any other relevant information
- No time limit on serious misconduct
- Not to enter into any arrangements which conflict with the disclosure requirements such as an NDA

Directory

- FCA directory will publicly list all certified persons

Conduct Rules – all staff involved

Individuals

- You must act with integrity
- You must act with due skill, care and diligence
- You must be open and cooperative with the FCA, the PRA and other regulators
- You must pay due regard to the interest of customers and treat them fairly
- You must observe proper standards of market conduct

Senior Manager

- Take reasonable steps to ensure that the business of the firm for which you are responsible is controlled effectively
- Take reasonable steps to ensure that the business of the firm for which you are responsible complies with the relevant requirements and standards of the regulatory system
- Take reasonable steps to ensure that any delegation of your responsibilities is to an appropriate person and that you oversee the discharge of the delegated responsibility effectively
- Disclose appropriately any information of which the FCA or PRA would reasonably expect notice



Conduct Rules – Breach notification

- Any breach of conduct rules in relation to a Senior Manager needs to be notified to the FCA within 7 days
- Annually for all other staff
- Failure to notify is a criminal offence



Any q's?

