

Chapter 16

Reporting requirements

Guidance notes for completion of the Annual Claims Management Report form

Guidance for CMC001

General notes

This *data item* collects key information annually from *firms* with permission to undertake *regulated claims management activity*.

Except for rows 13 to 15, 19 to 27 and 30 to 34, the data provided in this form should relate only to *regulated claims management activity*, even if the *firm* undertakes regulated or unregulated activities in other areas. Except where a single Annual Claims Management Report is submitted in respect of a *group* in accordance with ■ SUP 16.25.8R, the data should not include the assets, liabilities, income or costs of any consolidated subsidiaries of the *firm*.

If you have undertaken no *regulated claims management activity* during the reporting period, answer “yes” to question 3 “do you wish to report a nil return?” to attest that there is no activity to report to us.

All questions requiring a monetary answer must be answered in sterling only. Figures should be reported in integers (that is, single units, to the nearest whole number), except where otherwise specified in the form: for example, income figures should be given to the nearest pound, not to the nearest thousand pounds.

Question 1 to 34 must be answered by all *firms* (including those that only have permission for *seeking out, referrals and identification of claims or potential claims*, or agreeing to carry on a *regulated activity* in respect of one of these activities).

Questions 35 to 37 apply to *firms* carrying on, or with *permission* to carry on, *seeking out, referrals and identification of claims or potential claims* and/or *advice, investigation or representation in relation to a financial services or financial product claim*.

Question 38 onwards should be completed by *firms* that have permission for one or more of the following activities:

- *advice, investigation or representation in relation to a personal injury claim;*
- *advice, investigation or representation in relation to a financial services or financial product claim;*
- *advice, investigation or representation in relation to a housing disrepair claim;*
- *advice, investigation or representation in relation to a claim for a specified benefit;*
- *advice, investigation or representation in relation to a criminal injury claim; and*
- *advice, investigation or representation in relation to an employment-related claim,*

collectively referred to in these guidance notes as ‘advising on a *claim*, investigating a *claim*, or representing a *claimant*’.

Data elements

	Question	Notes	B
3	Do you wish to report a nil return?	If the <i>firm</i> has undertaken no <i>regulated claims management activity</i> during this reporting period then answer "yes" and submit the form.	
4	Over of the reporting period, how many employees did the <i>firm</i> have on average?	State how many employees the <i>firm</i> had on average during the reporting period. Include part time workers in this figure as 0.5.	
5	How many employees left the <i>firm</i> (for any reason) during the reporting period?	State the figure for the number of employees who left the <i>firm</i> . Include part time workers in this figure as 0.5.	
6	What was the <i>firm's</i> annual employee turnover rate during the reporting period?	This should be the number of employees who left the <i>firm</i> during the reporting period (item 5) divided by the average number of employees the <i>firm</i> had during the reporting period (item 4), multiplied by 100.	
7	What was the total remuneration paid to the <i>firm's</i> employees over the reporting period?	Include all remuneration received by employees, including any variable remuneration such as bonuses, commissions or performance-based pay. Include share-based remuneration, options and the monetary value of benefits in kind.	
8	What was the total amount of variable remuneration paid to the <i>firm's</i> employees over the reporting period?	Include only variable remuneration such as bonuses, commissions or performance-based pay. Include share-based remuneration, options and the monetary value of benefits in kind to the extent that these are variable.	
9	How does the <i>firm</i> charge fees to its <i>customers</i> ?	Please describe all the ways in which the <i>firm</i> charges fees: for example, whether calculated by reference to the amount recovered for the <i>customer</i> or on an hourly rate, and whether fees are charged up front or on account, or are invoiced periodically or at the end of the <i>claim</i> .	
10	What was the total annual income for all <i>regulated claims management activities</i> , as defined in FEES 4 Annex 11AR for the purposes of FCA fees reporting (see guidance in FEES 4 Annex 13G)?	Refer to the <i>guidance</i> contained in FEES 4 Annex 13G before completing this question. If you undertake other activities this will be a subset of your total income.	

	Question	Notes	B
11	What was the <i>firm's</i> income from <i>seeking out, referrals and identification of claims or potential claims</i> ?	State the revenue from generating leads for, or selling leads to, third parties. If you do not have this permission enter "0".	
12	What was the <i>firm's</i> income from all <i>regulated claims management activities</i> ?		
13	What was the <i>firm's</i> income from all <i>regulated activities</i> ?		
14	What was the <i>firm's</i> income from activities which are not <i>regulated activities</i> ?		
15	What was the <i>firm's</i> total income, including from activities which are not <i>regulated activities</i> ?	This should be the sum of items 13 and 14.	
16	What was the <i>firm's</i> expenditure in respect of all <i>regulated claims management activities</i> ?	Include any share of overheads which is allocated to income from <i>regulated claims management activities</i> .	
17	What was the <i>firm's</i> expenditure in respect of all <i>regulated claims management activities</i> (excluding expenditure of the sort listed in CMCOB 7.2.8R(2)(b))?		
18	What was the <i>firm's</i> operating profit from <i>regulated claims management activities</i> ?	Operating profit is equal to income (item 12) less expenditure (item 16).	
	Balance sheet	Questions 19 to 27 are to be answered as at the end of the relevant reporting period	
19	What was the value of the <i>firm's</i> total assets?	Include all fixed and current assets.	
20	How much <i>cash</i> did the <i>firm</i> hold?	This should relate to the whole <i>firm</i> but should not include the cash of any consolidated subsidiaries. This should include cash held in a bank account available for instant withdrawal.	
21	What was the value of the <i>firm's</i> other current assets?	A current asset is an asset that is expected to be converted to cash within a year of the date of measurement (but does not include cash). This should relate to the whole <i>firm</i> (including investments in or receivables from other group entities) but should not include the assets of any consolidated subsidiaries.	
22	How much did the <i>firm</i> owe in overdrafts and bank loans due within one year?	Include only the drawn amount of overdrafts.	

	Question	Notes	B
23	What was the value of the <i>firm's</i> current liabilities (other than overdrafts and bank loans)?	A current liability is a debt or obligation that falls due within one year of the date of the liability arising. This should relate to the whole firm (including any amounts owed to other group entities) but should not include any consolidated subsidiaries.	
24	What was the value of the <i>firm's</i> total (current and non-current) liabilities?	Non-current liabilities are those falling due more than one year after the date of measurement.	
25	What was value of the <i>firm's</i> current assets less the value of its current liabilities?	This should equal the sum of items 20 and 21 less the sum of items 22 and 23.	
26	What was the value of the <i>firm's</i> total assets less the value of its current liabilities?	This should equal the sum of item 19, less the sum of items 22 and 23.	
27	What level of prudential resources did the <i>firm</i> hold at the end of the reporting period (as calculated in CMCOB 7.3)?	CMCOB 7.3 sets out how prudential resources are to be calculated and which forms of capital are eligible for inclusion.	
28	Was the <i>firm</i> a Class 1 firm or a Class 2 firm (as defined in CMCOB 7.2.5R) at the end of the reporting period?		
29	What was the <i>firm's</i> overheads requirement (as calculated in CMCOB 7.2.8R) as at the end of the reporting period?	CMCOB 7.2.8R sets out how the overheads requirement is to be calculated.	
30	As at the end of the reporting period, was the <i>firm's</i> overheads requirement (as calculated in CMCOB 7.2.8R) greater than the amount set out in whichever of CMCOB 7.2.6R(1)(a) or 7.2.7R(1)(a) was applicable to the <i>firm</i> ?	The sums applicable under CMCOB 7.2.6R and 7.2.7R are £10,000 for a Class 1 firm and £5,000 for a Class 2 firm.	
31	Did the <i>firm</i> hold <i>client money</i> at any point during the reporting period?	Answer "yes" or "no". For the purposes of this question, include <i>client money</i> which has been sent out by cheque and is uncleared and/or unbanked.	
32	What was the <i>firm's</i> prudential resources requirement (as calculated in CMCOB 7.2.6R and 7.2.7R) as at the end of the reporting period?	CMCOB 7.2.6R sets out how the prudential resources requirement is to be calculated for Class 1 firms. CMCOB 7.2.7R sets out how the prudential resources requirement is to be calculated for Class 2 firms.	
33	Did the <i>firm</i> have a prudential surplus or deficit at the end of the reporting period?	A <i>firm</i> with prudential resources in excess of its prudential resources requirement has a prudential surplus. A <i>firm</i> with prudential resources less than its prudential resources requirement has a prudential deficit.	

	Question	Notes	B
34	<p>What was the amount of the prudential surplus or deficit at the end of the reporting period?</p>	<p>Enter positive figures only (irrespective of whether the amount was a surplus or deficit.)</p>	
	<p>Relevant Connections</p> <p>These questions are for <i>firms</i> carrying on, or which have <i>permission</i> to carry on: <i>seeking out, referrals and identification of claims or potential claims; and/or advice, investigation or representation in relation to a financial services or financial product claim</i> .</p>		
35	<p>Is the <i>firm</i> providing a notification of individuals, as per CMC OB 2.1.21R?</p>	<p>Answer “yes” or “no”.</p> <p><i>Firms</i> should answer “yes” if there are any individuals at their <i>firm</i> (including <i>employees, controllers</i> or members of the <i>firm’s governing body</i>) who are/were directly involved in, or responsible for, the carrying on of an FSCS-eligible activity at another <i>firm</i>; or if any <i>controller</i> or member of the <i>firm’s governing body</i> is related to someone who is/was directly involved in, or responsible for, the carrying on of an FSCS-eligible activity at another <i>firm</i>.</p> <p>In summary, an FSCS-eligible activity is an activity in connection with which a <i>claim</i> could be made to the FSCS now or in the future; it is defined in CMC OB 2.1.17R(6) and CMC OB 2.1.18G.</p>	
	<p>If the answer to question 35 is yes, please complete the following information:</p>		
36	<p>Where CMC OB 2.1.21R(3) applies to the individual, complete the information required in the following table.</p>		
	<p>Name of the individual</p>	<p>The individual is an <i>employee</i> or <i>controller</i> of your <i>firm</i>, or any member of its <i>governing body</i>, who is or was directly involved in or responsible for the carrying on of an FSCS-eligible activity at another <i>firm</i>.</p>	
	<p>Individual’s role in the <i>firm</i> providing the notification</p>	<p>Please state the individual’s role at your <i>firm</i>.</p>	
	<p>Name of the <i>firm</i> at which the FSCS-eligible activity was carried on by the individual</p>	<p>Please provide the name of the other <i>firm</i> where the individual is or was directly involved in or responsible for carrying on an FSCS-eligible activity.</p>	
	<p>Individual’s role at the <i>firm</i> at which the FSCS-eligible activity was carried on</p>	<p>Please provide the individual’s role at the other <i>firm</i> where that individual is or was directly involved in or responsible for carrying on an FSCS-eligible activity.</p>	
	<p>Date that role started</p>	<p>Please provide the date the individual’s role at the other <i>firm</i> started.</p>	

Question	Notes	B
Date that role ended	Please provide the date the individual's role at the other <i>firm</i> ended (if it has ended).	
37 Where CMCOB 2.1.21R(5) applies to the individual, complete the information required in the following table.		
Name of individual A	Individual A is any <i>controller</i> or member of your <i>firm's governing body</i> who is related to a person (individual B) who is or was directly involved in or responsible for the carrying on of an FSCS-eligible activity at another <i>firm</i> .	
	Under CMCOB 2.1.17R(5) , A is related to B for these purposes if:	
	(a) A is B's spouse or civil partner;	
	(b) A's relationship to B has the characteristics of the relationship between spouses or civil partners; or	
	(c) A is B's parent, brother, sister, child, grandparent or grandchild (including step-relations in these categories).	
Individual A's role in relation to the <i>firm</i> providing the notification	Please provide individual A's role at your <i>firm</i> .	
Name of individual B	Individual B is the person who is or was directly involved in or is or was responsible for the carrying on of an FSCS-eligible activity at another <i>firm</i> , who is related to individual A.	
Relationship between individual A and individual B	Describe how individual A is related to individual B (see CMCOB 2.1.17R(5)).	
Name of the <i>firm</i> at which the FSCS-eligible activity was carried on by individual B	Please provide the name of the <i>firm</i> at which individual B is or was directly involved in or responsible for carrying on an FSCS-eligible activity.	
Individual B's role at the <i>firm</i> at which the FSCS-eligible activity was carried on	Please provide individual B's role at the other <i>firm</i> where they are or were directly involved in or responsible for carrying on an FSCS-eligible activity.	
Date that role started and date that role ended	Please provide the date individual B's role at the other <i>firm</i> started and the date it ended.	
The remaining questions are only for <i>firms</i> that have permission for advising on a <i>claim</i> , investigating a <i>claim</i> , or representing a <i>claimant</i> .	All the questions below relate to advising on a <i>claim</i> , investigating a <i>claim</i> , or representing a <i>claimant</i> and should not include data for any other <i>regulated claims management activity</i> .	
Professional Indemnity Insurance		

	Question	Notes	B
38	Does the <i>firm</i> have permission for <i>advice, investigation or representation in relation to a personal injury claim</i> ?	Answer "yes" or "no". Having these permissions in respect of <i>personal injury claims</i> triggers a requirement to hold professional indemnity insurance.	
39	Did the <i>firm</i> have a professional indemnity insurance policy in place for <i>advice, investigation or representation in relation to a personal injury claim</i> at the end of the reporting period?	Answer "yes" or "no". If yes, please complete questions 40 to 46. If no, go to question 47.	
40	Who is the underwriter of the insurance?	State the underwriter's name.	
41	What is the policy renewal date?	Provide the end date of the policy in the format dd/mm/yyyy.	
42	Have the minimum terms of the policy been reviewed in the last five years?		
43	What is the amount of the limit of indemnity (liability) for any single claim?	If the policy applies different indemnity limits to different insured events, enter the lowest applicable limit.	
44	What is the amount of the limit of indemnity (liability) for claims in the aggregate over the policy period?		
45	What is the amount of the excess (or deductible) that would be applicable for any one claim?		
46	Has the identity of the insurance provider or the terms and conditions of the insurance policy changed from the content of the last Annual Claims Management Report form submitted to the <i>FCA</i> ?	Answer "yes" or "no".	
Client Money			
47	What was the highest balance of <i>client money</i> held by the <i>firm</i> at any point during the reporting period?	Report rounded to the nearest pound.	
48	In relation to the balance reported for question 47, for how many different <i>customers</i> did the <i>firm</i> hold <i>client money</i> ?	Report the number of <i>customers</i> to whom the balance reported for question 47 relates.	

	Question	Notes	B
49	For how many different <i>customers</i> did the <i>firm</i> hold <i>client money</i> for a period longer than two <i>business days</i> ?	Report the total number of <i>customers</i> for whom the <i>firm</i> held <i>client money</i> for longer than two <i>business days</i> .	
50	For how many different <i>customers</i> did the <i>firm</i> hold <i>client money</i> for a period longer than five <i>business days</i> ?	Report the total number of <i>customers</i> for whom the <i>firm</i> held <i>client money</i> for longer than five <i>business days</i> . Exclude (for question 50 reporting purposes only) any <i>customers</i> to which the <i>firm</i> has sent a cheque or other payable order which is uncleared and/or unbanked. For the avoidance of doubt, a <i>firm</i> must continue to treat this money as <i>client money</i> until the cheque or order is presented and paid by the bank.	
51	What was the longest period of time for which the <i>firm</i> held <i>client money</i> for a <i>customer</i> ?	Report in <i>days</i> .	
	Third-party Lead Generators		
52	How many leads did the <i>firm</i> purchase from <i>lead generators</i> during the reporting period?	State "0" or provide a positive figure. If your answer to question 52 is "0", go to question 56.	
53-55	If you have provided a figure in response to the previous question, provide the following details in respect of the three <i>lead generators</i> from which the <i>firm</i> purchased the most leads during this reporting period:	Provide all the information requested in each column for 53 to 55.	
56	How many leads did the <i>firm</i> supply to a third party? (include all the occasions on which the <i>firm</i> passed a <i>customer</i> , or details of a <i>customer</i> or <i>claim</i> , to a third party) Product Data		
57	What was the average fee charged by the <i>firm</i> , during the reporting period in respect of a <i>claim</i> ?	Include in the average only <i>claims</i> where a fee was charged.	
58-77	How was the <i>firm's regulated claims management activity</i> divided among the following areas of work?	For 58 to 77, provide the following figures for each area of work. For financial services and products <i>claims</i> and <i>personal injury claims</i> show how this work is split between different subcategories. When reporting "other", complete the free text box to indicate what the figures relate to.	

Question	Notes	B
Revenue	Enter the total income earned from this type of work during the reporting period.	
Number of <i>claims</i> where lead obtained from <i>lead generator</i>	Enter the number of <i>claims</i> where the <i>customer</i> was obtained from a lead purchased from a <i>lead generator</i> .	
Number of <i>claims</i> pursued	Enter the number of <i>claims</i> in respect of which an agreement was reached with the <i>customer</i> for the <i>firm</i> to investigate, advise or represent.	
Number of successful <i>claims</i>	Enter the number of <i>claims</i> which resulted in a payment or other remedy for the <i>customer</i> . Include <i>claims</i> settled on such terms.	
Number of <i>claims</i> halted or not taken forward because: no good arguable base, suspected fraud, or being frivolous or vexatious	Enter the number of <i>claims</i> which the <i>firm</i> declined, or declined to continue to pursue because there was no arguable case in the left hand column; the number of those where there was suspected fraud in the middle column; and the number of those which were frivolous or vexatious in the right hand column.	
78-80 Of the above types of <i>claim</i> , which three saw the largest percentage change in number of successful <i>claims</i> ?	Percentage change is the increase or decrease in the number of successful <i>claims</i> concluded during the reporting period compared to the number in the equivalent period ending 12 months earlier. Enter the name of the type of <i>claim</i> and the percentage change at 78 to 80. For financial services or financial product <i>claims</i> and <i>personal injury claims</i> , enter the more detailed <i>claim</i> category (e.g. Whiplash).	