

Chapter 16

Reporting requirements

Notes for completion of Data Items relating to Consumer Credit activities

This annex consists only of one or more forms. Forms are to be found through the following address:
SUP 16 Annex 38B

Introduction

1. These notes relate to the consumer credit returns in ■ SUP 16 Annex 38AR (Data items relating to consumer credit activities). They aim to assist *firms* in completing and submitting the *data items* relevant to *credit-related regulated activities*.

2. The purpose of these *data items* is to provide a framework for the collection of information by the *FCA* as a basis for its supervisory and other activities. They also have the purposes set out in ■ SUP 16.12.2G, including to help the *FCA* to monitor *firms'* financial soundness.

3. The data should not give a misleading impression of the *firm*. A *data item* is likely to give a misleading impression if a *firm* omits a material item, includes an immaterial item or presents items in a manner which is misleading.

Scope

4. Subject to ■ SUP 16.12.29BR, *firms* undertaking *credit-related regulated activities* are required to complete the *data items* applicable to the activities they undertake as set out in ■ SUP 16.12.29CR.

Defined terms

5. Where terms are italicised, they have the meaning shown in the *Glossary* of definitions in the *FCA Handbook*. Where we use an alternative word or phrase we expect *firms* to apply an ordinary meaning to that word or phrase.

6. The *credit-related regulated activities* are:

(a) *entering into a regulated credit agreement as lender;*

(b) *exercising, or having the right to exercise, the lender's rights and duties under a regulated credit agreement;*

(c) *entering into a regulated consumer hire agreement as owner;*

(d) *exercising, or having the right to exercise, the owner's rights and duties under a regulated consumer hire agreement;*

(e) *credit broking;*

(f) *debt adjusting;*

(g) *debt counselling;*

(h) *debt collecting;*

- (i) *debt administration;*
- (j) *providing credit information services;*
- (k) *providing credit references;*
- (l) *operating an electronic system in relation to lending; and*
- (m) *advising on regulated credit agreements for the acquisition of land.*

7.A firm does not need to complete these returns if the only *credit-related regulated activity* it carries on is *advising on regulated credit agreements for the acquisition of land*. Data should be excluded from the returns to the extent that they relate to *credit agreements* secured by a *legal or equitable mortgage on land*.

Currency

8.Unless otherwise stated, *firms* should report in the currency of their annual audited accounts, where this is sterling, euro, US dollars, Canadian dollars, Swedish kroner, Swiss francs or yen. Where annual audited accounts are reported in a currency outside those specified above, the values should be converted into an equivalent within the list using an appropriate rate of exchange at the reporting date or, where appropriate, the rate of exchange fixed under the terms of any relevant currency hedging transaction.

Data elements

9.These are referred to by row first, then by column, so *data element 2B* will be the element numbered 2 in column B.

General reporting guidelines

10.The *data items* in ■ SUP 16 Annex 38AR (Data Items relating to Consumer Credit activities) should reflect the standard accounting practices followed in the preparation of a *firm's annual report and accounts*, unless otherwise stated.

11.The information reported in the returns should cover the reporting period specified, unless otherwise stated.

12.Unless otherwise stated, figures should be reported in single units.

CCR001 – Consumer credit data: Financial data

13.This *data item* provides the FCA with a snapshot of the assets and liabilities of a *firm* and data on the *firm's* income and profit. It gives us an idea of the *firm's* ongoing financial viability and whether this poses any potential risks to *consumers*.

14.*Firms* that report CCR001 on a six-monthly basis should report their income and profit data on a cumulative basis. The return for the first reporting period should include income and profit for the first six months from the *firm's accounting reference date*. The return for the second six-month period should include income and profit for the entire 12 months.

Guide for the completion of individual fields

Balance sheet items

1A	Total shareholder funds/Partnership capital/Sole trader capital	<p>Incorporated <i>firms</i>: add the value of all types of shares, reserves, retained earnings and verified current year profit.</p> <p><i>Partnerships</i> and <i>sole traders</i>: add the value of all capital accounts, retained earnings and verified current year profit.</p>
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		<i>Limited liability partnerships</i> (LLPs): add the value of all cash and capital accounts.
2A	Intangible assets/Investments in subsidiaries/Investment in own shares	Add the value of intangible assets/goodwill, investments in own shares, investments in subsidiaries, material current year losses and, if applicable, excess LLP member's drawings.
3A	Subordinated debt and subordinated loans	Add the value of any subordinated loans and other subordinated debt.
Current assets		
4A	Cash	This is money physically held by the firm and money deposited with <i>banks</i> or <i>building societies</i> .
5A	Debtors/Other	Add the value of all types of debtors, stocks, investments (other than those included in 2A) and loans.
Current liabilities		
6A	Creditors	Add the value of all types of creditors.
7A	Largest exposures (including inter-company): amount	Identify the amount of each of the two largest exposures (including those between the <i>firm</i> and a related entity). These exposures can either be amounts owed to the <i>firm</i> by debtors, or amounts owed by the <i>firm</i> to creditors.
	Largest exposures (including inter-company): counterparty name	Identify in each case the name of the counterparty from or to whom the amount is owed.
	Largest exposures (including inter-company): type of exposure	Identify whether the amount is owed to the <i>firm</i> (debtor) or owed by the <i>firm</i> (creditor).
Income statement (including regulated business revenue)		
8A	Total income	<i>Firms</i> should report income from all activities, both regulated and non-regulated, on a cumulative basis.
9A	Retained profit	This figure does not relate to the accumulated retained profit figure that appears on the <i>firm's</i> balance sheet, but to the retained profit or loss figure for the period shown on the <i>firm's</i> income statement or profit and loss (P&L) account. This should be reported on a cumulative basis.

CCR002 – Consumer credit data: Volumes

15.This *data item* provides the *FCA* with an overall picture of the size of the consumer credit market and how revenue is generated. On an individual *firm* level, it allows us to look at the relationship between *customer* numbers, transaction numbers and revenue.

16.In this *data item*, *firms* should complete each row applicable to an activity they have permission to undertake. In the case of lending, they should complete each row applicable to their *consumer credit lending* business.

17.Data should be provided only in respect of *credit-related regulated activities*.

Column A: Fee mechanism

18. In this column, *firms* should identify the predominant source of revenue for each relevant activity by selecting the appropriate option from the drop-down list.

19. For the purposes of answering this question, an “upfront fee” is a single fee incurred once at the time of the transaction occurring. There are no further fees associated with the transaction. For example, a one-off *credit broking fee*.

20. An “ongoing fee” is where the fee is split into multiple payments across the lifetime of the product or service. For example, a percentage charge taken from monthly payments under a *debt management plan*.

21. Where a *firm* only uses upfront fees or only uses ongoing fees, the *firm* should select “upfront only” or “ongoing only”. “Mainly upfront” and “mainly ongoing” should be used when more than two-thirds of the relevant revenue from that activity is achieved using that method.

22. With respect to lending activities, “interest only” should be selected if revenue is generated solely from charging interest. “Mainly interest” should be selected if interest accounts for more than two-thirds of the revenue generated. For example, a *lender* may charge an upfront fee plus interest.

23. “Combination” should be used when no single revenue source (upfront fees, ongoing fees or interest) accounts for more than two-thirds of the relevant revenue from that activity.

Column B: Revenue

24. In this column, *firms* should enter the amount of revenue generated during the reporting period by each activity undertaken.

25. A *firm* should include all revenue generated as a result of the activity, and which would not have otherwise have been generated, even if it does not directly relate to the *firm’s credit-related regulated activity* (provided that it does not relate to another *regulated activity*, for example payment protection insurance).

26. Revenue should be reported gross, before any deductions. In the case of lending, it does not include repayment of capital under a *credit agreement*.

Column C: Total customers

27. In this column, *firms* should enter the total number of individual *customers* who have taken up a credit-related product during the reporting period or have engaged the *firm’s services* during the period.

28. If the same *customer* has taken out three products of the same type, this counts as one towards the “total customers” figure.

29. In the case of jointly-owned products, each *individual* should be recorded as a customer for the purposes of this column. For example, a *credit agreement* entered into jointly by two *individuals* should be recorded as two customers.

Column D: Total transactions

30. In this column, *firms* should enter the total number of transactions during the reporting period. A transaction is where a *customer* has taken up a credit-related product or engaged the *firm’s services* during the period.

31. If the same *customer* has taken out three products of the same type, this counts as three towards the “total transactions” figure. For example, if a *customer* has entered into three separate *credit agreements* for *high-cost short-term credit* during the reporting period, this counts as one customer but three transactions.

32. Jointly-owned products should be recorded as a single transaction. For example, an agreement entered into jointly by two *individuals* should be recorded as one transaction.

33. In the case of debt purchasing, a transaction is acquisition of a debt during the reporting period.

34. In the case of pawnbroking, each separate item held as *security* should be counted for these purposes as a single transaction.

35. In the case of *credit broking*, a transaction is irrespective of whether a *credit agreement* or *consumer hire agreement* is entered into.

36. In the case of debt management activity, a transaction is not limited to entry into a *debt management plan* (see paragraph 42 below).

37. A *credit repair firm* does not need to complete this field (unless it is engaged in another *credit-related regulated activity*).

Rows 1 to 8 and 13 to 14: Lending

38. The rows under the heading “Lending” relate to the different types of lending that are covered by *consumer credit lending*. For each type of lending that a *firm* undertakes, the row relating to that activity should be completed in full. If a product could fall into more than one row, or has elements falling into more than one row, it should be included in the first applicable row reading down the list.

30. *Firms* undertaking logbook lending should report data relating to this activity in the row labelled “Bill of sale loan agreements.”

Row 9: Credit broking

40. This row should be completed in full by all *firms* carrying on the activity of *credit broking* as defined in article 36A of the *Regulated Activities Order*.

Row 10: Debt management activity

41. This row should be completed in full by a *debt management firm*.

42. A *debt management firm* is a *firm* which carries on the activity of *debt counselling* or *debt adjusting* with a view to an *individual* entering into a particular *debt solution*. This is not limited to *firms* which enter into *debt management plans*.

Row 11: All other credit-related regulated activity

43. *Firms* should include in this row data relating to all other *credit-related regulated activities* (see paragraph 6) not covered in rows 1 to 10 and 13 to 14. This includes *consumer hiring* (including the purchasing of debts under *regulated consumer hire agreements*, which should appear here; rather than against “debt purchasing” under Lending, which is limited to debts under *regulated credit agreements*). It also includes *debt counselling* or *debt adjusting* which is not with a view to an *individual* entering into a particular *debt solution* (see paragraph 42).

44. The row should be completed in full and include the total of all other *credit-related regulated activities* that a *firm* undertakes.

Row 12: Total annual income as defined in FEES 4 Annex 11BR for the purpose of FCA fees reporting

45. This figure should be calculated with reference to ■ FEES 4 Annex 11BR and the *guidance* in ■ FEES 4 Annex 11BR. It should be reported as an annual figure and in single units rather than in thousands (see paragraph 13).

46. If you report CCR002 on an annual basis, and this is your first return and you are reporting for a period of less than 12 months, you should annualise this figure (i.e. make it representative for a full year’s activity). See ■ FEES 4.2.7BR (5) (c) and (d).

47. If you report CCR002 on a six-monthly basis, you should report your credit-related annual income as zero in the CCR002 return that aligns with the first six-month period after your *accounting reference date*. You should then report the full figure for your credit-related annual income in the CCR002 return that aligns to the second six-month period after your *accounting reference date*.

48. For example, a *firm* that reports CCR002 on a six-monthly frequency with an *accounting reference date* of 31 March has an annual consumer credit income (for the purposes of FCA fees reporting) of £1,000. For the reporting period from 1 April to 30 September it should report £0 in question 12. For the reporting period from 1 October to 31 March it should report £1,000 in question 12.

CCR003 – Consumer credit data: Lenders

49. The purpose of this *data item* is to give the FCA an understanding of the number and value of *credit agreements* entered into during the reporting period or outstanding at the end of the period, the *APRs* charged on those agreements and the extent of arrears on the agreements.

50. In this *data item*, *firms* should complete each row applicable to the *consumer credit lending* that the *firm* undertakes. All applicable rows should be completed in full unless otherwise specified. Data should be provided only in respect of *regulated credit agreements*.

51. *Firms* undertaking logbook lending should report data relating to this activity in the row labelled "Bill of sale loan agreements."

52. Where we ask for figures reported in thousands, the response should be rounded to the nearest thousand. For example, if the value of agreements outstanding for a certain activity was £1,400, this should be reported as '1'. If the value was £1,500, this should be reported as '2' (rounding up rather than down). If the value was less than £500 for the period, this should be rounded down to zero (i.e. reported as '0').

Column A: Total value (000s)

53. In this column, *firms* should enter the total value (in thousands) outstanding on *credit agreements* at the end of the reporting period.

54. This comprises amounts that have fallen due but remain unpaid (including any default sum or other fee or charge) and also amounts payable under the agreement that have not yet fallen due, such as future repayments of capital.

Column B: Total number of loans

55. In this column, *firms* should enter the total number of *credit agreements* on which sums are outstanding at the end of the reporting period.

56. In the case of pawnbroking, a single *credit agreement* under which the *firm* has taken two or more articles in *pawn* should be counted as one loan.

Column C: Total number of loans in arrears

57. In this column, *firms* should enter the number of *credit agreements* that had overdue repayments at the end of the reporting period.

58. An overdue repayment is an amount that has fallen due but remains unpaid.

59. In the case of pawnbroking, an agreement is in arrears if an article taken in *pawn* under the agreement has become realisable by the *firm* during the reporting period or the property in any such article has passed to the *firm* during the reporting period.

Column D: Total value of arrears (000s)

60. In this column, *firms* should enter the total value (in thousands) of overdue repayments at the end of the reporting period.

Column E: Value of new advances in period (000s)

61. In this column, *firms* should enter the total value (in thousands) of new advances during the reporting period.

62. In the case of debt purchasing, a *firm* should report the value of *credit agreements* acquired during the period.

Column F: Average annual percentage rate of charge (total loan book)

63. In this column, *firms* should calculate the average (mean) *APR* of all the *credit agreements* outstanding at the end of the reporting period.

64. The *APR* should be calculated in accordance with ■ CONC App 1.2 and reported as a percentage with no decimal places.

65. Worked example:

A *firm* has the following loans:

- 4 loans of £1,000 with 300% *APR*
- 3 loans of £500 with 400% *APR*

- 2 loans of £200 with 500% APR
- 1 loan of £100 with 750% APR

The average APR is calculated as follows:

$$((4 \times 300) + (3 \times 400) + (2 \times 500) + (1 \times 750)) / 10$$

66. This column can be left blank in the case of Overdrafts.

Column G: Highest annual percentage rate of charge (in period)

67. In this column, *firms* should enter the highest APR of *credit agreements* entered into during the reporting period.

68. The APR should be calculated in accordance with ■ CONC App 1.2 and reported as a percentage with no decimal places.

69. This column can be left blank in the case of Overdrafts.

CCR004 – Consumer credit data: Debt management firms

70. This *data item* is intended to reflect the underlying prudential requirements contained in ■ CONC 10 and allows monitoring against the requirements set out there.

71. A *debt management firm* is a *firm* which carries on the activity of *debt counselling* or *debt adjusting* with a view to an *individual* entering into a particular *debt solution*. This is not limited to *firms* which enter into *debt management plans*.

72. This *data item* must be completed in sterling and single units.

Guide for the completion of individual fields

1A	Total value of relevant debts under management outstanding	<p><i>Firms</i> should enter the total value of all the <i>relevant debts under management</i> that are used to calculate the <i>firm's</i> current prudential resources requirement. This should be the figure calculated at the latest <i>accounting reference date</i>, or, if there has been a change in the value of all the <i>relevant debts under management</i> of more than 15%, the re-calculated figure.</p> <p>See CONC 10.2.5R to CONC 10.2.10G and CONC 10.2.13R to CONC 10.2.14R.</p>
2A	Total prudential resources requirement	<p><i>Firms</i> should enter whichever figure is higher out of:</p> <p>(a) £5000; and</p> <p>(b) the variable prudential resources requirement calculated based on the value of <i>relevant debts under management</i> outstanding entered in element 1A.</p> <p>See CONC 10.2.5R, CONC 10.2.8R and CONC 10.2.11G to 10.2.12G.</p> <p>NB: It is not permissible to answer '0' for this question, even if '0' was entered against 1A, as the minimum prudential resources requirement in CONC 10 is £5,000.</p>
3A	Total prudential resources	<p><i>Firms</i> should enter their total prudential resources, calculated in accordance with CONC 10.</p>
4A	Number of debt management plans that end before the end of the term originally agreed	<p><i>Firms</i> should identify the number of <i>debt management plans</i> that ended earlier than stated in the original contract during the reporting period.</p>

CCR005 – Consumer credit data: Client money and assets

73.The purpose of this *data item* is so that the *FCA* has an understanding of how much *client money* and assets is being held by *CASS debt management firms* in relation to debt management activity.

74.*Firms* that meet the definitions of *CASS debt management firm*, unless subject to a requirement imposed under section 55L of the *Act* stating that it must not hold *client money* or such a *requirement* to the same effect, should complete this *data item*.

Guide for the completion of individual fields

1A	What was the highest balance of client money held during the reporting period?	A <i>CASS debt management firm</i> should enter the highest total amount of <i>client money</i> that was held in respect of debt management activity at a single point in time during the reporting period.
2A	What was the highest number of clients for whom client money was held during the reporting period?	A <i>CASS debt management firm</i> should enter the highest number of <i>clients</i> for whom <i>client money</i> was held in respect of debt management activity at a single point in time during the reporting period.
3A	How much client money (if any) did you hold in excess of five days following receipt?	<p>If a <i>CASS large debt management firm</i>, at any point during the reporting period, held <i>client money</i> for an individual <i>client</i>, relating to a single transaction, in excess of five days of receipt of cleared funds, it should report the aggregate balance of this <i>client money</i> (i.e. the sum of all the amounts that were held longer than five days).</p> <p>A <i>CASS large debt management firm</i> should report '0' if it did not hold <i>client money</i> in excess of five days at any point during the reporting period.</p> <p>In accordance with CASS 11, a <i>CASS large debt management firm</i> must pay any <i>client money</i> it receives to creditors as soon as reasonably practicable, save in the circumstances set out in CASS 11. In the <i>FCA's</i> view the payment to creditors should normally be within five <i>business days</i> of the receipt of cleared funds.</p>

CCR006 – Consumer credit data: Debt collection

75.The purpose of this *data item* is to give the *FCA* an understanding of the activities of *firms* undertaking debt collection (on behalf of *lenders* or *owners*), and the size of the market, and to identify potential areas where there is risk of consumer detriment.

76.*Firms* should complete this *data item* if they have permission for *debt collecting* (article 39F of the *Regulated Activities Order*).

77.In addition, *firms* that have permission under article 36H of the *Regulated Activities Order* to operate an *electronic system in relation to lending* (peer-to-peer platforms) are required to submit CCR006 because the scope of that permitted activity allows *firms* to take steps to procure the payment of a debt due under an *article 36H agreement*.

1AHave you undertaken any debt collection business during the reporting period?

78.This question only applies to peer-to-peer platforms, and should be answered with respect to steps taken to procure the payment of a debt due under an *article 36H agreement*. If a peer-to-peer platform answers "no" and the firm does not have permission for *debt collecting* then the firm does not have to complete the remainder of this *data item*.

Stage of debt placement

79.The *firm* should complete each column in respect of which it has debts under collection. All debts at sixth stage or higher should be aggregated and reported in column F.

80. Debt placement is the placement of an overdue account, passed out for debt collection either through an internal collection strategy (also known as in-house) or outsourced to a specialist third party debt collection agency. Each time the debt is passed to an agency for collection, the stage of debt placement increases.

81. If the debt ceases to be overdue, but subsequently becomes overdue again and is passed out for collection, it starts again as stage one.

Guide for the completion of individual fields

2	Total value of debts being pursued for collection	The <i>firm</i> should report the total value of all the debts that are being actively pursued for collection at the end of the reporting period.
3	Total value of debts under collection	The <i>firm</i> should report the total value of all the debts that it has on its books to collect at the end of the reporting period.
4	Total number of debts being pursued for collection	The <i>firm</i> should report the number of individual debts that are being actively pursued for collection at the end of the reporting period.
5	Total number of debts under collection	The <i>firm</i> should report the number of individual debts that it has on its books to collect at the end of the reporting period.
6	Number of debts under collection with missed repayments	The <i>firm</i> should identify the number of debts under collection on its books that have missed repayments.
7	Total income per placement (000s)	The <i>firm</i> should indicate the amount of income (in thousands) that has been attributed to debts collected under each stage of placement.

CCR007 – Consumer credit data: Key data for credit firms with limited permission

82. The purpose of this *data item* is so that the *FCA* can collect a small, proportionate amount of data from the large population of *firms* with *limited permission* undertaking *credit-related regulated activities*, to enable monitoring of the market with a risk-based approach.

Guide for the completion of individual fields

1A	Revenue from credit-related regulated activities	<p>A <i>firm</i> should report the total amount of income (before expenses) received by the <i>firm</i> for its credit-related business activities during the reporting period.</p> <p>Example 1:</p> <p>A <i>firm</i> sells a product for £1,000 after referring the <i>customer</i> for financing. The <i>firm</i> receives £50 commission for the <i>credit broking</i> referral, as well as the £1,000 for the product sale.</p> <p>For data field 1A, the <i>firm</i> would report its credit-related income as £50. The income from activities unrelated to credit should not be included here.</p> <p>Example 2:</p> <p>A <i>firm</i> sells a product for £1,000. The <i>customer</i> pays £500 cash and the <i>firm</i> refers the <i>customer</i> for financing for the remaining balance. The <i>firm</i> receives £50 commission for the referral.</p> <p>For data field 1A, the <i>firm</i> would report its credit-related income as £50. The amount of finance referred should not be reported here.</p>
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2A	Total revenue (including from activities other than credit-related regulated activities)	<p>A <i>firm</i> should report all income (before expenses) received for all its business, both regulated and unregulated.</p> <p>For example, if a <i>firm</i> has sold a product for £1,000 and received £50 commission for referring the <i>customer</i> for credit, for data field 2A, the <i>firm</i> should report the total amount of money received, £1,050.</p>
3A	Number of transactions involving credit-related regulated activities in reporting period	<p>A <i>firm</i> should report the total number of credit-related transactions which occurred during the reporting period.</p> <p>A transaction is where a <i>customer</i> took out a credit-related product during the reporting period or engaged the <i>firm's</i> services during the period.</p> <p>In the case of <i>credit broking</i>, a transaction is irrespective of whether a <i>credit agreement</i> or <i>consumer hire agreement</i> is entered into.</p>
4A	Number of complaints relating to credit-related activities received in period	<p>A <i>firm</i> should report the total number of complaints received during the reporting period in relation to <i>credit-related regulated activities</i>. Any complaints about the <i>firm's</i> non-credit-related business should not be included here.</p>
5A	Credit-related regulated activity which generated the highest amount of turnover in reporting period	<p>Selecting from the following options, a <i>firm</i> should identify which <i>credit-related regulated activity</i> generated the highest amount of turnover during the reporting period:</p> <ul style="list-style-type: none"> •lending; •consumer hire; •not-for-profit debt counselling; •secondary credit broking; or •other.
6A	Total annual income as defined in FEES 4 Annex 11BR for the purposes of FCA fees reporting	<p><i>Firms</i> should refer to FEES 4 Annex 11BR to calculate this figure.</p> <p><i>Firms</i> which receive grants or funding for their activities should only include this information here when it relates specifically to <i>credit-related regulated activity</i>.</p> <p>If this is your first return and you are reporting for a period of less than 12 months, you should annualise this figure (i.e. make it representative for a full year's activity). See FEES 4.2.7B(5)(c) and FEES 4.2.7B(5)(d).</p>