

FEES (CONSUMER CREDIT) INSTRUMENT 2014

Powers exercised by the Financial Conduct Authority

- A. The Financial Conduct Authority makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 137T (General supplementary powers);
 - (2) section 139A (Power of the FCA to give guidance);
 - (3) section 234 (Industry funding); and
 - (4) paragraph 23 (Fees) of Part 3 (Penalties and Fees) of Schedule 1ZA (The Financial Conduct Authority) of the Act.
- B. The rule making powers listed above are specified for the purpose of section 138G (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force on 1 April 2014.

Amendments to the Handbook

- D. The Glossary of definitions is amended in accordance with Annex A to this instrument.
- E. The Fees manual (FEES) is amended in accordance with Annex B to this instrument.

Citation

- F. This instrument may be cited as the Fees (Consumer Credit) Instrument 2014.

By order of the Board of the Financial Conduct Authority
30 January 2014

[Editor’s Note: this instrument is drafted on the assumption that the following instruments will be made after the making of this instrument and in substantially the form in which they were consulted upon (insofar as it is material to this instrument) and that these instruments will come into force also on 1 April 2014: (i) the Fees (Miscellaneous Amendments) (No 7) Instrument 2014 and (ii) the Fees (Consumer Credit No 2) Instrument 2014.]

Annex A**Amendments to the Glossary of definitions**

In this Annex, striking through indicates deleted text.

relevant business (1) (in *DISP* and *FEES*) that part of a *firm's* business which it conducts with *consumers* and which is subject to the jurisdiction of the *Financial Ombudsman Service* as provided for in *DISP* 2.3 (To which activities does the Compulsory Jurisdiction apply?), ~~*DISP* 2.4 (To which activities does the Consumer Credit Jurisdiction apply?)~~ and *DISP* 2.5 (To which activities does the Voluntary Jurisdiction apply?), measured by reference to the appropriate tariff-base for each *industry block*.

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Annex B

Amendments to the Fees manual (FEES)

In this Annex, underlining indicates new text and striking through indicates deleted text.

3 Application, Notification and Vetting Fees

3.1 Introduction

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3.1.6 G Applications for *Part 4A permission* (and exercises of *Treaty rights*) other than in respect of *credit-related regulated activities* are categorised by the *appropriate regulator* for the purpose of fee raising as straightforward, ~~complex, moderately complex and complex and straightforward~~ as identified in *FEES 3 Annex 1R*. This differentiation is based on the *permitted activities* sought and does not reflect the *appropriate regulator's* risk assessment of the applicant (or *Treaty firm*).

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3.1.8A G Application fees for applications for and variations of *Part 4A permission* in respect of *credit-related regulated activities* are also set out in *FEES 3 Annex 1R*. Applications for *Part 4A permission* in respect of *credit-related regulated activities* are categorised by the *appropriate regulator* for the purposes of fee raising as straightforward, moderately complex and complex as identified in *FEES 3 Annex 1R*, unless the application is for a *limited permission*.

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3.2 Obligation to pay fees

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Method of payment

3.2.3 R (1) Unless (2), ~~or~~ (3) or (4) applies, the sum payable under *FEES 3.2.1R* must be paid by bankers draft, cheque or other payable order.

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(3) The sum payable under *FEES 3.2.1R* by a *firm* applying for a variation of its *Part 4A permission* which is not an application for new *permission* solely in respect of one or more *credit-related regulated activities* (*FEES 3.2.7R(p)(1)* or *FEES 3.2.7R(p)(4)*) and, if applicable, *FEES 3.2.7AR(c)*) must be paid by any of the methods described in (1) or by Maestro, Visa Debit or credit card (Visa/Mastercard only). ~~Any payment by a permitted credit card~~

~~must include an additional 2% of the sum paid.~~

(4) Unless FEES 3.2.3AR applies, the sum payable under FEES 3.2.1R by a firm applying for a Part 4A permission in respect of credit-related regulated activities only or a variation of its Part 4A permission to add solely one or more credit-related regulated activities must be paid by Maestro, Visa Debit or credit card (Visa/Mastercard only).

(5) Payments by credit card must include an additional 2% of the sum paid.

- 3.2.3A R (1) If the fee payer (as specified in column (1) of FEES 3.2.7R) in relation to FEES 3.2.3R(4) is:
- (a) unable to make a payment by credit or debit card; or
 - (b) permitted to make a paper application rather than an online application for a Part 4A permission in respect of credit-related regulated activities only or a variation of its Part 4A permission to add a credit-related regulated activity;

the sum payable under FEES 3.2.1R can be paid by bankers draft, cheque or other payable order.

3.2.3B G If FEES 3.2.3AR(1)(a) applies to a fee payer, that fee payer would be expected to notify the FCA of these circumstances in advance of making its payment (and, in any event, no less than 7 days before the date on which the application for a Part 4A permission or the variation of a Part 4A permission is made) unless such notification is impossible in the circumstances, eg, there is a sudden technological failure.

3.2.7 R Table of application, notification and vetting fees payable to the FCA

(1) Fee payer	(2) Fee payable	Due date
(a)
<u>(aa) A person who makes an application under section 24A of the Consumer Credit Act 1974 which meets the conditions of article 31 (Applications for a standard licence where no determination made before 1 April 2014) of the Financial Services and Markets Act 2000</u>	<u>As (a) above less any amount paid to the Office of Fair Trading in relation to the relevant application.</u>	<u>Within 30 days of the date of the invoice.</u>

<u>(Regulated Activities) (Amendment) (No 2) Order 2013 (the “relevant application”)</u>		
...
<p>(p) A <i>firm</i> applying for a variation of its <i>Part 4A permission</i> whose fee is not payable pursuant to sub-paragraph (ga) of this table</p>	<p>(1) Unless (2), (2A), or (3), (3A) or (3B), applies, if the proposed new business of the <i>firm</i> would fall within one or more activity groups specified in Part 1 of <i>FEES 4 Annex 1AR</i> or Part 1 of <i>FEES 4 Annex 1BR</i> not applicable before the application, the fee is 50% of the highest of the tariffs set out in <i>FEES 3 Annex 1R</i> which apply to that application</p> <p>(2) If the only change is that the A.12 activity group tariff applied to the <i>firm's</i> business before the variation and the A.13 activity group will apply after variation, no fee is payable Subject to (2A) below, if the <i>firm's</i> application includes an application for a <i>Part 4A permission</i> to carry on a new <i>credit-related regulated activity</i>, the fee is 50% of the highest of the tariffs set out in <i>FEES 3 Annex 1R</i> that would be payable under (1) above or, if higher, 50% of the highest of the tariffs set out in <i>FEES 3 Annex 1R</i> that would be payable in relation to the new</p>	...

	<p><u>credit-related regulated activity</u></p> <p>(2A) If an applicant which already has a <u>Part 4A permission to carry on a credit-related regulated activity exclusively</u> applies for a <u>Part 4A permission to carry on a new credit-related regulated activity</u>, that is specified in Part 3 of <u>FEES 3 Annex 1R in the straightforward category</u> (or if it exclusively applies for a number of such <u>permissions</u>), the fee is <u>£250</u></p> <p>(3) ...</p> <p>(3A) If the applicant had a <u>limited permission prior to the application to vary its Part 4A permission</u>, 100% of the highest of the tariffs set out in <u>FEES 3 Annex 1R which apply to that application</u></p> <p>(3B) If the applicant has a <u>limited permission</u> and its application exclusively relates to another <u>limited permission</u>, the fee is <u>0</u></p> <p>(4) ...</p>	
<p>(pa) A person who <u>makes an application under section 30(1) of the Consumer Credit Act 1974 which meets</u></p>	<p><u>As (a) of (p) above, less any amount paid to the Office of Fair Trading in relation to the relevant variation</u></p>	<p><u>Within 30 days of the date of the invoice.</u></p>

<u>the conditions of article 33 (Variations at request of licensee where no determination made before 1 April 2014) of the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No 2) Order 2013 (the “relevant variation application”)</u>	<u>application.</u>	
...		
<u>(zs) Applicant for FCA permission for an agreement to be enforced under section 28A(3)(a) and/or 28A(3)(b) of the Act</u>	<u>£3,500 per type of agreement specified in the application.</u> <u>Where there are a number of agreements of the same type, only one fee is payable in respect of those agreements. A number of agreements are of the same type when those agreements are entered into on the same terms and conditions.</u>	<u>On or before the date the application is made.</u>

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3 Annex 1R Authorisation fees payable

Part 1 – Authorisation fees payable

For *PRA-authorized persons* and *persons* seeking to become *PRA-authorized persons*, the amount payable to the *PRA* is 50% of the amount payable under Part 1 and the amount payable to the *FCA* is 50% of the amount payable under Part 1. The amount payable to the *PRA* above is collected by the *FCA* as agent of the *PRA*.

For *FCA-authorized persons* and *persons* seeking to become *FCA-authorized persons*, the amount payable to the *FCA* is the amount payable under Part 1. No amount is payable to the *PRA*.

The table below sets out the following:

(1) fees for applications by *credit unions* and other societies registered or deemed registered under section 1(2)(b) of the Industrial and Provident Society Act 1965;

(2) application fees in respect of the complexity groupings that relate to *regulated activities* that are not *credit-related regulated activities*; and

(3) application fees in respect of the complexity groupings that relate to *credit-related regulated activities*.

Application type (see Part 2)	Amount payable (£)	
<u>(1) <i>Credit unions</i> and other societies registered or deemed registered under section 1(2)(b) of the Industrial and Provident Society Act 1965</u>		
(a) <i>Credit unions</i> – registration of a common bond	200	
<u>(aa) <i>Credit unions</i> or other societies registered or deemed registered under section 1(2)(b) of the Industrial and Provident Society Act 1965 – where application is for a <i>Part 4A permission</i> limited to <i>permission to carry on credit-related regulated activities</i></u>	<u>200</u>	
(b) <i>Version 1 credit unions</i> – authorisation (other than where (aa) applies)	300	
(c) <i>Version 2 credit unions</i> – authorisation (other than where (aa) applies)	1,800	
<u>(2) Complexity groupings not relating to <i>credit-related regulated activities</i> – see Part 2</u>		
(d) Straightforward	1,500 (unless otherwise specified in Part 2)	
...	...	
<u>(3) Complexity groupings relating to <i>credit-related regulated activities</i> – see Part 3</u>		
	Consumer credit annual income (£)	
	<u>0 - 50,000</u>	<u>> 50,000</u>
<u>(g) <i>Limited permission</i></u>	<u>100 unless the application is for <i>limited permission</i></u>	<u>500 unless the application is for <i>limited permission</i></u>

	<u>debt advice body, in which case the amount payable is 0</u>				<u>as a not-for-profit debt advice body, in which case the amount payable is 0</u>
	<u>Consumer credit annual income (£)</u>				
	<u>0 - 50,000</u>	<u>≥ 50,000 - 100,000</u>	<u>≥ 100,000 - 250,000</u>	<u>≥ 250,000 - 1,000,000</u>	<u>≥ 1,000,000</u>
<u>(h) Straightforward</u>	<u>600</u>	<u>750</u>	<u>1,000</u>	<u>1,500</u>	<u>5,000</u>
<u>(i) Moderately complex</u>	<u>800</u>	<u>1,000</u>	<u>1,500</u>	<u>5,000</u>	<u>10,000</u>
<u>(j) Complex</u>	<u>1,000</u>	<u>1,250</u>	<u>2,000</u>	<u>7,000</u>	<u>15,000</u>

Part 2 – Complexity Groupings not relating to credit-related regulated activities
Straightforward Cases

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Part 3 – Complexity Groupings relating to credit-related regulated activities

Straightforward cases

<u>Activity grouping</u>	<u>Description</u>
<u>CC.1</u>	<u>Credit broking</u> <u>Providing credit information services</u>

Moderately complex cases

<u>Activity grouping</u>	<u>Description</u>
<u>CC.2</u>	<u>Debt administration</u> <u>Debt collecting</u>

	<p><u>Entering into a regulated consumer hire agreement as owner</u></p> <p><u>Entering into a regulated credit agreement as lender (excluding in relation to high-cost short-term credit, bill of sale loan agreements and home credit loan agreements)</u></p> <p><u>Exercising, or having the rights to exercise, the owner's rights and duties under a regulated consumer hire agreement</u></p> <p><u>Exercising, or having the right to exercise, the lender's rights and duties under a regulated credit agreement (excluding in relation to high-cost short-term credit, bill of sale loan agreements and home credit loan agreements)</u></p> <p><u>Operating an electronic system in relation to lending</u></p>
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Complex cases

<u>Activity grouping</u>	<u>Description</u>
CC.2	<p><u>Debt adjusting</u></p> <p><u>Debt counselling</u></p> <p><u>Entering into a regulated credit agreement as lender in relation to high-cost short-term credit, bill of sale loan agreements and home credit loan agreements</u></p> <p><u>Exercising, or having the right to exercise, the lender's rights and duties under a regulated credit agreement in relation to high-cost short-term credit, bill of sale loan agreements and home credit loan agreements</u></p> <p><u>Providing credit references</u></p>

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