

**APPROVED PERSONS REGIME (EXCLUSION FOR CLAIMS MANAGEMENT)  
INSTRUMENT 2019**

**Powers exercised**

- A. The Financial Conduct Authority (“the FCA”) 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 55U (Applications under this Part);
  - (2) section 59 (Approval for particular arrangements);
  - (3) section 137A (The FCA’s general rules);
  - (4) section 137T (General supplementary powers);
  - (5) section 139A (Power of the FCA to give guidance); and
  - (6) article 1 of the Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018.
- B. The rule-making powers listed above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

**Commencement**

- C. This instrument comes into force on 1 April 2019.

**Amendments to the Handbook**

- D. The FCA’s Handbook of rules and guidance is amended in accordance with paragraph E of this instrument.
- E. The modules of the FCA’s Handbook of rules and guidance listed in column (1) below are amended in accordance with the Annexes to this instrument listed in column (2) below:

(1)	(2)
Senior Management Arrangements, Systems and Controls sourcebook (SYSC)	Annex A
Supervision manual (SUP)	Annex B
Forms in Supervision manual (SUP)	Annex C

**Citation**

- F. This instrument may be cited as the Approved Persons Regime (Exclusion for Claims Management) Instrument 2019.

By order of the Board  
28 March 2019

## Annex A

### Amendments to the Senior Management Arrangements, Systems and Controls sourcebook (SYSC)

In this Annex, underlining indicates new text.

#### 4 General organisational requirements

...

#### 4.4 Apportionment of responsibilities

Application

...

4.4.2 G ...

4.4.2A R For the purposes of this section, a *regulated claims management activity* is treated as an *unregulated activity*.

...

## Annex B

### Amendments to the Supervision manual (SUP)

In this Annex, underlining indicates new text.

#### **6 Applications to vary and cancel Part 4A permission and to impose, vary or cancel requirements**

...

#### **6 Annex 5D Variation of permission application form**

This annex consists only of one or more forms.

...

Variation of Permission (VOP) Application Consumer Credit Activities (Notes)

Variation of Permission (VOP) Application – Claims Management

Variation of Permission (VOP) Application – Claims Management (Notes)

Insert in the appropriate place in SUP 6 Annex 5D the form titled “Variation of Permission (VOP) Application – Claims Management” and the notes titled “Variation of Permission (VOP) Application – Claims Management – notes”. The text of the form and notes is set out in Part Two of Annex C.

Amend the following forms in SUP 6 Annex 5 as shown in Part One of Annex C:

- (1) Variation of Permission Application – Insurance Business, Banking (accepting deposits), Electronic Money, Lloyd’s Market and Funeral Plan Providers
- (2) Variation of Permission Application – Investment Business
- (3) Variation of Permission Application – Home Finance Mediation and General Insurance Distribution Activities
- (4) Variation of Permission (VOP) Application Consumer Credit Activities

#### **10A FCA Approved Persons**

##### **10A.1 Application**

...

Credit firms with limited permission

- 10A.1.25 R ...
- Claims management exclusions
- 10A.1.28 R For the purposes of SUP 10A.1.13R, SUP 10A.1.18R, SUP 10A.6.23R (Partner function (CF4)) and SUP 10A.6.31R (Small friendly society function (CF6)), a regulated claims management activity is treated as an unregulated activity.
- 10A.1.29 R A function performed by a person (A) in relation to a firm (B), whose permission includes a regulated claims management activity, is not a controlled function when performed by A in relation to B if:
- (1) A is not the subject of a current FCA approved person approval for that controlled function in relation to B;
  - (2) that function would otherwise have been a controlled function but for this rule; and
  - (3) that function would not have been a controlled function in relation to A and B if articles 89G to 89M of the Regulated Activities Order (regulated claims management activities) were not in the Regulated Activities Order.
- 10A.1.30 R SUP 10A.1.25R also applies to a firm whose permission only includes regulated claims management activities and relevant credit activities.
- 10A.1.31 G SUP 10A.1.28R to SUP 10A.1.30R mean a firm whose permission includes a regulated claims management activity will not need to seek additional approved person approvals, because those activities became regulated activities in April 2019.
- 10A.1.32 G SUP 10A.1.28R to SUP 10A.1.30R are not relevant to a firm which has permission to carry on only regulated claims management activities because SUP 10A.1.1R excludes it from this chapter altogether.

...

## Annex C

### Amendments to forms in the Supervision manual (SUP)

#### Part One: Amended forms

Replace the following sections of each of the following forms in SUP 6 Annex 5D with the wording below. The text is not underlined:

- (1) Section 9 (Declaration and Signature) in the form called Variation of Permission Application – Insurance Business, Banking (accepting deposits), Electronic Money, Lloyd’s Market and Funeral Plan Providers
- (2) Section 10 (Declaration and Signature) in the form called Variation of Permission Application – Investment Business
- (3) Section 9 (Declaration and Signature) in the form called Variation of Permission Application – Home Finance Mediation and General Insurance Distribution Activities
- (4) Section 9 (Declaration and Signature) in the form called Variation of Permission (VOP) Application Consumer Credit Activities

### Declaration and Signature

It is a criminal offence, knowingly or recklessly, to give the appropriate regulator information that is materially false or misleading (see sections 398 and 400 FSMA). Even if you believe or know that information has been provided to the appropriate regulator before (whether as part of another application or otherwise) or is in the public domain, you must nonetheless disclose it clearly and fully in this form and as part of this application – you should not assume that the appropriate regulator will itself identify such information during the assessment of this application. If there is any doubt about the relevance of information, it should be included.

There will be a delay in processing the application if information is inaccurate or incomplete, and it may call into question the suitability of the applicant and/or lead to the appropriate regulator exercising its powers (including, but not limited to, taking disciplinary/ Enforcement action). You must notify the appropriate regulator immediately if there is a change to the information in this form and/or if inaccurate information has been provided.

I/We confirm that the information provided in this application is accurate and complete to the best of my/our knowledge. I/We will notify the appropriate regulator immediately if there is a material change to the information provided.

I/We authorise the appropriate regulator to make such enquiries and seek such further information as it thinks appropriate to identify and verify information that it considers relevant to the assessment of this application. These checks may include credit reference checks or information pertaining to

fitness and propriety. I/We are aware that the results of these enquiries may be disclosed to the firm/employer/applicant.

I/We agree that the appropriate regulator may, in the course of processing this application, undertake a Police National Computer (PNC) check in respect of any or all of the persons to whom this application relates.

Where the signatory to this application has provided an address and/or email address in connection with the applicant's business, the signatory agrees on behalf of the applicant that the appropriate regulator may use such address and email address as the 'proper address for service' at which to give the applicant a 'relevant document' as those terms are defined in Financial Services and Markets Act 2000 (Service of Notice) Regulations (SI 2001/1420).

I have attached the relevant documents where requested or I have them fully ready and available on request and I have taken all reasonable steps to ensure they are correct.

I confirm that where I have certified that documents are ready they have been prepared to an appropriate standard and are available for immediate inspection by the appropriate regulator.

I understand that the appropriate regulator may require the applicant firm to provide further information or documents at any time.

I confirm that I am authorised to sign this form on behalf of the firm and/or controller(s) and (where applicable) to give each of the confirmations on behalf of the applicant set out in this declaration.

The FCA and the Bank of England process personal data in line with the requirements of the General Data Protection Regulation (EU) 2016/679 and the Data Protection Act 2018. For further information about the way we use the personal data collected in this form, please read the privacy notices available on the FCA's website at: <https://www.fca.org.uk/data-protection> and the Bank of England's website at: <https://www.bankofengland.co.uk/prudential-regulation/authorisations>

In addition to other regulatory responsibilities, firms and approved persons have a responsibility to disclose to the appropriate regulator matters of which it would reasonably expect to be notified. Failure to notify the appropriate regulator of such information may lead to the appropriate regulator taking disciplinary or other action against the firm and/or individuals.

I am aware that, while advice may be sought from a third party (e.g. legal advice), responsibility for the accuracy of information, as well as the disclosure of relevant information, on the form is ultimately the responsibility of those who sign the application.

## **Review and Submission**

The ability to submit this form is given to an appropriate user or users by the firm's principal compliance contact.

Tick here to confirm that the person submitting this Form on behalf of the Firm and (if applicable) the Individual(s) named below - have read and understood the declaration.

**Who must sign the declaration?**

This declaration must be signed by the person(s) who is responsible for making this application on behalf of the Applicant. There can be one or two required signatures depending on the number of directors / partners in the firm.

Is there more than one director / partner as applicable to the legal status of the firm?

- Yes ▶ Provide more than one signatory below
- No ▶ Provide one signatory below

I confirm that a permanent copy of this application, signed by myself and the signatories, will be retained for an appropriate period, for inspection at the FCA/PRA's request.

Name of authorised signatory	
Signature	
Date	

Name of authorised signatory	
Signature	
Date	

**Part Two: New forms and notes**

Insert the following new form and notes in the place described in Annex B of this instrument.  
The text is not underlined.





## Variation of Permission (VOP) Application

### Claims Management

#### Firm Name

#### Firm Reference Number

#### **Important information you should read before completing this form**

This is the Variation of Part 4A Permissions application form. The FCA regulated business that a firm carries on should be consistent with its Part 4A permission. This is shown on the firm's entry on the Financial Services Register (under the heading 'Permissions'). If you wish to make any changes to your firm's business activities that require changes to its permission on the Financial Services Register, you must complete and submit a Variation of Part 4A Permission application form. Your firm should not start carrying out any new activities until the application is approved.

Before completing this form, please refer to the relevant section of the FCA's website, including the FAQ section for further guidance. In addition, if you are unsure and/or in doubt then you may find it helpful to discuss your proposed application with your usual supervisory contact (e.g. Customer Contact Centre) at the FCA, who will endeavour to assist with your queries.

You should ensure that all relevant information and confirmations are included with the form. If not, it may delay your application whilst we seek the outstanding information and/or confirmations. Ultimately Variation of Permission applications will be refused if the outstanding information and/or confirmations are not provided.

There will be an application fee payable at the time of submission. The amount charged will depend on the type of application and the permissions selected. The application fee is non-refundable.

Please note – it is important that you provide accurate and complete information and disclose all relevant information. If you do not, you may be committing a criminal offence.

#### **Contents of this form**

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## **Filling in the form**

- 1** If you are using your computer to complete the form:
  - use the TAB key to move from question to question and press SHIFT TAB to move back to the previous question; and
  - print out all the parts of the form you have completed and sign the declaration form
- 2** If you think a question is not relevant to you, write 'not applicable' and explain why.
- 3** If you leave a question blank or do not attach the required supporting information without telling us why, we will have to treat the application as incomplete. This will increase the time taken to assess your application.
- 4** If there is not enough space, you may need to use separate sheets of paper. Clearly mark each separate sheet of paper with the relevant question number.

**Claims Management Department  
Financial Conduct Authority  
12 Endeavour Square  
London  
E20 1JN**

# 1

## Contact details and timings for this application

We need this information in case we need to contact you when assessing this application.

### Contact for this application

#### 1.1 Contact details of the person we will get in touch with about this application

This must be someone who works for the applicant firm, and not a professional adviser.

Title	
First names	
Surname	
Job title	
Business address	
Postcode	
Phone number (including STD code)	
Mobile number (optional)	
Fax number (including STD code)	
Email address	

### **Pre-application case**

A pre-application meeting is not compulsory and we only recommend one if you believe that the meeting would significantly help you get specific support not ordinarily available to you from our website, Handbook and other guidance materials.

**1.2 Please specify if you have received support from the Innovation Hub or the Asset Management Hub**

### **Timings for this application**

We will attempt to process your application as quickly as possible. If you wish your application to be granted by a specific date, we will try to do so. If we cannot, we will contact you with the reason why. However, please note that we must determine an application for a variation of permission once we have received it and deemed it to be complete within six months of it becoming complete.

**1.3 Does the applicant firm have any timing factors that it would like us to consider?**

# 2

## Scope of Permission required

Tell us what it is you wish to do to change your firm's permissions.

### **Regulated Activity**

Changing your firm's permission can generate an application fee and vary your fee.

It is your responsibility to make sure the regulated activities you request adequately cover the activities the applicant firm intends to carry on. Use this page to request any changes you wish to make to the firm's Claims Management permission.

You need a Permission Notice that matches the applicant firm's needs and covers every aspect of regulated business it wants to carry on. The Permission Notice shows the range of regulated activities the applicant firm will be authorised to carry on. It will also contain what we refer to as 'requirements' and 'limitations', should this be relevant. Broadly speaking, a limitation is included in the description of a specific regulated activity and will limit how it can be carried on in some way. A requirement is on the firm to take a specified action. A requirement may extend to activities of the firm which are not regulated activities. If the applicant firm carries on a regulated activity that is not set out in its permission notice it could be in breach of FSMA and subject to enforcement action.

For details of regulated activities please refer to the Perimeter Guidance Manual in the FCA Handbook.

**2.1 Answer this section if you wish to do the following:**

- add a new Claims Management activity to your permission; or
- delete an activity from your permission.

If you wish to add or amend several activities in different ways, copy this page and attach it to this form.

Select activity(ies)			
Add new activity	Amend current activity	Delete activity	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Seeking out, referrals and identification of claims or potential claims (personal injury claim; financial services or financial product claim; housing disrepair claim; claim for a specified benefit; criminal injury claim; employment related claim)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Advice, investigation or representation in relation to a personal injury claim
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Advice, investigation or representation in relation to a financial services or financial product claim
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Advice, investigation or representation in relation to a housing disrepair claim
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Advice, investigation or representation in relation to a claim for a specified benefit
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Advice, investigation or representation in relation to a criminal injury claim
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Advice, investigation or representation in relation to an employment related claim

**Client money**

**2.2 Does your firm wish to change its client money or assets permission?**

- No ▶ Continue to Section 3
- Yes ▶ Answer the relevant questions in this section

**2.3 What is the firm able to do now, and how does it wish to change its permission for client money?**

Firm is currently able to:	Firm wishes to be able to:
<input type="checkbox"/> Hold and control client money	<input type="checkbox"/> Hold and control client money
<input type="checkbox"/> Not hold and not control client money	<input type="checkbox"/> Not hold and not control client money

**2.4 Are you applying to stop holding client money?**

- No ▶ Continue to Question 2.5
- Yes ▶ Continue below

Please tick this box if you have included a report from your auditors confirming that you have done this and it has either been paid back to the clients concerned or transferred to another entity that is authorised to hold it

Or, if you are applying to cease holding client money for Insurance Mediation as you have Risk Transfers in place, and you have NEVER held or controlled client money, please tick here to confirm the Risk Transfer Agreement in place with your Insurer covers ALL Client Money. This includes any claims monies received by your firm and any refund of premiums.

If you cannot answer 'Yes' to either of the above two options, explain further below.

**2.5 Are you applying to hold client money?**

No ▶ Continue to Section 3

Yes ▶ Please state for the applicant, if it holds or has held client money, the highest amount in the last calendar year or, if it did not hold client money in the previous calendar year, the highest amount of client money it projects that it will hold in the current calendar year

You must also attach a copy of your client money handling and reconciliation procedures. Please confirm this is attached.

Yes

# 3

## Fees and levies

### 3.1 Please state the estimated annual income for claims management activities

Amount (GBP)	
Confirm amount in words	

### 3.2 Has the applicant previously been authorised by the Claims Management Regulator (CMR)?

No ▶ Continue to Section 4

Yes ▶ Please provide authorisation number prefixed with the letters 'CRM' followed by up to 5 digits and continue to Section 5

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### 3.3 Please state the estimated annual income for claims management activities that will be conducted with eligible complainants

The Financial Ombudsman Service (FOS) general levy is based on relevant business. Relevant business is business conducted with eligible complainants (see [www.handbook.fca.org.uk/handbook/DISP/2/7.html](http://www.handbook.fca.org.uk/handbook/DISP/2/7.html) for further information and the definition of eligible complainant). If you will not conduct business with eligible complainants then you should report 'nil' in this section.

Amount (GBP)	
Confirm amount in words	



# 4

## Regulatory Business Plan

### 4.1 Effective date of changes

### 4.2 Reason for Variation

We need to know why your firm is applying to change its permission. You should give as much information as possible, including:

- how this change will affect your firm and the long-term strategy for your business;
- any new operational, legal, market risks that you have identified and will need to consider; and
- details of any outsourcing.

#### Please attach a full regulatory business plan

Please confirm that this is attached.

Yes

### 4.3 Does the applicant use, or intend to use, third party lead generators?

No ▶ Continue to Question 4.4

Yes ▶ Please confirm the number of lead generators you will use

### 4.4 Does the applicant intend to accept introductions from exempt lead generators benefiting from the exclusion for certain providers of referrals?

Article 89V in Part 3B of the FSMA 2000 (Regulated Activities) Order 2001 (SI 2001/544) sets out an exclusion for certain providers of referrals. See Article 7 of the Financial Services and Markets Act 2000 (Claims Management (Activity) Order 2018 (SI 2018/1253):

<http://www.legislation.gov.uk/ukxi/2018/1253/article/36/made>

No ▶ Continue to Question 4.5

Yes ▶ Please provide details of the intended number of exempt lead generators and the nature of their business

**4.5 Does the applicant intend to represent customers before a tribunal, or make representations on behalf of the customer, to an ombudsman service or insurer?**

- Yes
- No

**4.6 Does the applicant have procedures in place for dealing with vulnerable consumers?**

- No ▶ Continue to question 4.7
- Yes ▶ Please attach a copy of your client money handling and reconciliation procedures. Please confirm that this is attached.
- Yes

**If you are only applying for the permission of seeking out, referrals and identification of claims or potential claims ▶ Continue to Question 4.9**

**If you are applying for any of the permissions in relation to advice, investigation or representation of a claim ▶ Continue to Question 4.7**

**4.7 Please attach a copy of your pre-contract information in relation to your claims management activities**

Please confirm that this is attached.

- Yes

**4.8 Please attach a sample copy of your customer contract in relation to your claims management activities**

Please confirm that this is attached.

- Yes

**4.9 You must provide a structure chart to show the nature of the relationship between the applicant firm and each close link (please include the business type of the close link).**

Please confirm that this is attached.

- Yes

**4.10 Are you aware of any information to suggest that any close link is likely to prevent our effective supervision of the applicant firm?**

- No
- Yes ▶ Please provide details

# 5

## Threshold Conditions

The threshold conditions are the minimum conditions a firm is required to satisfy, and continue to satisfy, to be given and retain Part 4A Permission. The firm must satisfy us that these conditions will continue to be met if the application is granted. You may be asked to provide documentary evidence in support of your answers, either during the application process or at a later point.

### Location of Offices

#### 5.1 Confirm the following:

- if you are a body corporate, that your firm's Registered Office (or if you have no Registered Office, your Head Office) is located within the United Kingdom;
- if you are natural person, that your Head Office is in or you are resident in the United Kingdom.

### Effective Supervision

#### 5.2 As a result of this application, will there be any impact on the FCA's ability to effectively supervise the firm?

- No ▶ Continue to Question 5.2  
 Yes ▶ Provide further detail below

### Appropriate resources / Business to be conducted in a prudent manner

#### 5.3 What is your current prudential category?

#### 5.4 What will the firm's prudential category be as a result of this application? If unchanged, enter the same value as above

#### 5.5 You must confirm you are meeting and will continue to meet the firm's new capital resource requirements and have projections available to prove so

#### 5.6 What will be the firm's new capital resource requirement?

### Business Model

#### 5.7 You must confirm that the firm has a suitable business plan available that reflects the firm's current business and proposed changes?

### Suitability

#### Compliance

#### 5.8 A firm must establish, maintain and carry out a Compliance Monitoring Programme of actions to check that it complies and continues to comply with regulations. You must confirm that you have in place a Compliance

**Manual and a Compliance Monitoring Programme that reflects the firm's current business and the proposed change in business, if applicable, for which the firm is applying**

**Conduct of Business Requirements**

**5.9 You must confirm the firm is ready, willing and organised to comply with the relevant conduct of business provisions for the permission the firm is applying for. This includes provisions in the Business Standards and Specialist sourcebooks sections of the FCA handbook, as applicable to any new regulated activities applied for**

**Systems and Controls (SYSC) requirements**

**5.10 You must confirm the firm continues to meet the SYSC requirements?**

# 6

## EEA Notifications and Third-Country Banking and Investment Groups

We need to know about any connected firms outside the UK but within the EEA (European Economic Area). We also need to know whether the firm is a member of a third-country banking and investment group

**6.1 Is the firm connected with a firm regulated outside the UK but within the EEA?**

- No ▶ Continue to Question 5.2  
 Yes ▶ Provide further detail below

Name of EEA Regulated Firm	Name of EEA Regulator	Firm's Contact at EEA Regulator (include email address)

**6.2 Is your firm currently a BIPRU/IFPRU firm or will it become one if this variation is approved?**

- Yes ▶ Continue to Question  
 No ▶ Continue to next question

**6.3 Is the firm a member of a third-country (i.e outside of the EEA) banking and investment group?**

- Yes  
 No

# 7 Fees

You must be ready to pay the application fee in full at the same time as submitting your application, by credit/debit card (you may pay by bankers draft, cheque or other payable order by prior arrangement only if it is not possible to pay by credit or debit card). If the fee is not paid in full within five working days of the date that we contact you after you submit this form, your application will be returned to you. This fee is non-refundable.

**We charge an application fee of £250 for applications that will increase your firm's permitted business activities but which do not change your firm's fee blocks. There is no fee to reduce your permission.**

**Where you are changing fee blocks:**

- **For smaller firms, turnover up to £1 million, the application fee is £600**
- **For larger firms, turnover of more than £1 million, the application fee is £5000**

# 8

## Declaration

It is a criminal offence, knowingly or recklessly, to give the FCA information that is materially false or misleading (see sections 398 and 400 FSMA). Even if you believe or know that information has been provided to the FCA before (whether as part of another application or otherwise) or is in the public domain, you must nonetheless disclose it clearly and fully in this form and as part of this application – you should not assume that the FCA will itself identify such information during the assessment of this application. If there is any doubt about the relevance of information, it should be included.

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I/We confirm that the information provided in this application is accurate and complete to the best of my/our knowledge. I/We will notify the FCA immediately if there is a material change to the information provided.

I/We authorise the FCA to make such enquiries and seek such further information as it thinks appropriate to identify and verify information that it considers relevant to the assessment of this application. These checks may include credit reference checks or information pertaining to fitness and propriety. I/We are aware that the results of these enquiries may be disclosed to the firm/employer/applicant.

I/We agree that the FCA may, in the course of processing this application, undertake a Police National Computer (PNC) check in respect of any or all of the persons to whom this application relates.

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I have attached the relevant documents where requested or I have them fully ready and available on request and I have taken all reasonable steps to ensure they are correct.

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I understand that the FCA may require the applicant firm to provide further information or documents at any time.

I confirm that I am authorised to sign this form on behalf of the firm and/or controller(s) and (where applicable) to give each of the confirmations on behalf of the applicant set out in this declaration.

The FCA processes personal data in line with the requirements of The General Data Protection Regulation (EU) 2016/679 and the Data Protection Act 2018. For further information about the way we use the personal data collected in this form, please read our privacy notice available on our website as <https://www.fca.org.uk/data-protection>.

In addition to other regulatory responsibilities, firms and approved persons have a responsibility to disclose to the FCA matters of which it would reasonably expect to be notified. Failure to notify the FCA of such information may lead to the FCA taking disciplinary or other action against the firm and/or individuals.

I am aware that, while advice may be sought from a third party (e.g. legal advice), responsibility for the accuracy of information, as well as the disclosure of relevant information, on the form is ultimately the responsibility of those who sign the application.

**Review and Submission**

The ability to submit this form is given to an appropriate user or users by the firm's principal compliance contact.

Tick here to confirm that the person submitting this Form on behalf of the Firm and (if applicable) the Individual(s) named below - have read and understood the declaration.

**Who must sign the declaration?**

This declaration must be signed by the person(s) who is responsible for making this application on behalf of the Applicant. There can be one or two required signatures depending on the number of directors / partners in the firm.

Is there more than one director / partner as applicable to the legal status of the firm?

- Yes ▶ Provide more than one signatory below
- No ▶ Provide one signatory below

I confirm that a permanent copy of this application, signed by myself and the signatories, will be retained for an appropriate period, for inspection at the FCA's request.

Name of authorised signatory	
Signature	
Date	

Name of authorised signatory	
Signature	
Date	



## Variation of Permission (VoP) Application

### Claims Management – notes

#### **Purpose of these Notes**

These notes will help you fill in the Claims Management form correctly

If after reading these notes you need more help, you can:

- visit our website: [www.fca.org.uk/](http://www.fca.org.uk/)
- consult the Handbook: [www.fshandbook.info/FS/index.jsp](http://www.fshandbook.info/FS/index.jsp)
- call the Customer Contact Centre: 0300 500 0597
- email the Customer Contact Centre: [Firm.Queries@fca.org.uk](mailto:Firm.Queries@fca.org.uk)

These notes, while aiming to help you, do not replace the rules and guidance in the Handbook.

#### **Terms in these notes**

These notes use the following terms:

- 'you', 'the firm' or 'the applicant firm' refers to the firm applying for authorisation
- 'the FCA', 'we', 'us' or 'our' refers to the Financial Conduct Authority
- FSMA refers to the Financial Services and Markets Act 2000
- 'Claims management activity' refers to regulated claims management activity, except where stated otherwise

#### **Contents of these notes**

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# 1

## Contact details and timings for this application

### Contact for this application

#### 1.1 Contact details of the person we will get in touch with about this application

This should generally be someone in the UK

### Pre-application case

#### 1.2 Please specify if you have received support from the Innovation Hub or the Asset Management Hub

No additional notes

### Timings for this application

#### 1.3 Does the applicant firm have any timing factors that it would like us to consider?

If you wish your application to be granted by a specific date, for example in time for a product launch, we will try to do so. However, the time taken to determine each application is significantly affected by the quality of the application submitted and whether it is complete. If you leave a question blank, do not sign the declaration or do not attach the required supporting information, we will have to treat the application as incomplete. This will increase the time taken for us to assess your application.

We are required by law to determine applications within the earlier of (a) 6 months of receiving a complete application or (b) 12 months of receiving an incomplete application. However, we aim to make a decision about the application as soon as possible.

# 2 Scope of Permission required

## Regulated Activity

Changing your firm's permission can generate an application fee and vary your fee.

It is your responsibility to make sure the regulated activities you request adequately cover the activities the applicant firm intends to carry on. Use this page to request any changes you wish to make to the firm's Claims Management permission.

You need a Permission Notice that matches the applicant firm's needs and covers every aspect of regulated business it wants to carry on. The Permission Notice shows the range of regulated activities the applicant firm will be authorised to carry on. It will also contain what we refer to as 'requirements' and 'limitations', should this be relevant. Broadly speaking, a limitation is included in the description of a specific regulated activity and will limit how it can be carried on in some way. A requirement is on the firm to take a specified action. A requirement may extend to activities of the firm which are not regulated activities. If the applicant firm carries on a regulated activity that is not set out in its permission notice, it could be in breach of FSMA and subject to enforcement action.

For details of regulated activities, please refer to the Perimeter Guidance Manual in the FCA Handbook.

You can find a full description of each regulated activity in PERG 2.7 at: <http://fshandbook.info/FS/html/FCA/PERG/2/7>

You may also find it useful to look at the FCA glossary: [www.fshandbook.info/FS/html/handbook/Glossary](http://www.fshandbook.info/FS/html/handbook/Glossary)

## Seeking out referrals and identification of claims or potential claims (personal injury claim; financial services or financial product claims housing disrepair claim; claims for a specified benefit; criminal injury claim; employment related claim)

This permission is specified in Article 89G of the Regulated Activities Order, which, in summary, involves any or all of the following:

- a) seeking out persons who may have a claim (unless that activity constitutes a controlled claims management activity: see PERG 8.7A.5G);
- b) referring details of a claim or a potential claim or a claimant or potential claimant to another person; and
- c) identifying a claim or potential claim, or a claimant, or potential claimant;

When carried on in relation to:

- a) Personal injury: claims for damages for personal injury or death
- b) Financial services and financial products; claims in relation to financial services and financial products
- c) Housing repair; claims relating to certain landlord and tenant legislation, for the disrepair of premises under a term of a tenancy agreement or lease, or under the common law relating to nuisance
- d) Specified benefits; claims relating to certain industrial injuries, benefits, supplements or allowances
- e) Criminal injuries; claims under the Criminal Injuries Compensation Scheme

- f) Employment; includes claims in relation to wages and salaries and other employment-related payments, and claims in relation to wrongful or unfair dismissal, redundancy, discrimination and harassment

#### **Advice, investigation or representation in relation to a personal injury claim**

This permission is specified in Article 89H of the Regulated Activities Order, which, in summary, involves any or all of the following:

- a) Advice includes any type of advice in relation to a claim, including advice on the merits of a claim, advice on the procedure for pursuing a claim, advice on how best to present a claim, and advice on possible means of challenging an unsatisfactory outcome to a claim.
- b) Investigation of a claim means carrying out an investigation into, or commissioning the investigation of, the circumstances, merits or foundation of a claim.
- c) Representation of a claimant means representation in writing or orally, regardless of the tribunal, body or person before which or to whom the representation is made.

Where carried on in relation to a personal injury claim (claims for damages for personal injury or death).

#### **Advice, investigation or representation in relation to a financial services or financial product claim**

This permission is specified in Article 89I of the Regulated Activities Order, which, in summary, involves any or all of the following:

- a) Advice includes any type of advice in relation to a claim, including advice on the merits of a claim, advice on the procedure for pursuing a claim, advice on how best to present a claim, and advice on possible means of challenging an unsatisfactory outcome to a claim.
- b) Investigation of a claim means carrying out an investigation into, or commissioning the investigation of, the circumstances, merits or foundation of a claim.
- c) Representation of a claimant means representation in writing or orally, regardless of the tribunal, body or person before which or to whom the representation is made.

Where carried on in relation to a financial services or financial product claim

#### **Advice, investigation or representation in relation to a housing disrepair claim**

This permission is specified in Article 89J of the Regulated Activities Order, which, in summary, involves any or all of the following:

- a) Advice includes any type of advice in relation to a claim, including advice on the merits of a claim, advice on the procedure for pursuing a claim, advice on how best to present a claim, and advice on possible means of challenging an unsatisfactory outcome to a claim.
- b) Investigation of a claim means carrying out an investigation into, or commissioning the investigation of, the circumstances, merits or foundation of a claim.
- c) Representation of a claimant means representation in writing or orally, regardless of the tribunal, body or person before which or to whom the representation is made.

Where carried on in relation to a housing disrepair claim (claims relating to certain landlord and tenant legislation, for the disrepair of premises under a

term of a tenancy agreement or lease, or under the common law relating to nuisance).

### **Advice, investigation or representation in relation to a claim for a specified benefit**

This permission is specified in Article 89K of the Regulated Activities Order, which, in summary, involves any or all of the following:

- a) Advice includes any type of advice in relation to a claim, including advice on the merits of a claim, advice on the procedure for pursuing a claim, advice on how best to present a claim, and advice on possible means of challenging an unsatisfactory outcome to a claim.
- b) Investigation of a claim means carrying out an investigation into, or commissioning the investigation of, the circumstances, merits or foundation of a claim.
- c) Representation of a claimant means representation in writing or orally, regardless of the tribunal, body or person before which or to whom the representation is made.

Where carried on in relation to a claim for a specified benefit (claims relating to certain industrial injuries, benefits, supplements or allowances).

### **Advice, investigation or representation in relation to a criminal injury claim**

This permission is specified in Article 89L of the Regulated Activities Order, which, in summary, involves any or all of the following:

- a) Advice includes any type of advice in relation to a claim, including advice on the merits of a claim, advice on the procedure for pursuing a claim, advice on how best to present a claim, and advice on possible means of challenging an unsatisfactory outcome to a claim.
- b) Investigation of a claim means carrying out an investigation into, or commissioning the investigation of, the circumstances, merits or foundation of a claim.
- c) Representation of a claimant means representation in writing or orally, regardless of the tribunal, body or person before which or to whom the representation is made.

Where carried on in relation to a criminal injury claim (claims under the Criminal Injuries Compensation Scheme).

### **Advice, investigation or representation in relation to an employment related claim**

This permission is specified in Article 89M of the Regulated Activities Order, which, in summary, involves any or all of the following:

- a) Advice includes any type of advice in relation to a claim, including advice on the merits of a claim, advice on the procedure for pursuing a claim, advice on how best to present a claim, and advice on possible means of challenging an unsatisfactory outcome to a claim.
- b) Investigation of a claim means carrying out an investigation into, or commissioning the investigation of, the circumstances, merits or foundation of a claim.
- c) Representation of a claimant means representation in writing or orally, regardless of the tribunal, body or person before which or to whom the representation is made.

Where carried on in relation to an employment related claim (includes claims in relation to wages and salaries and other employment-related payments, and claims in relation to wrongful or unfair dismissal, redundancy, discrimination and harassment).

## **Client money**

Client money is money which a firm receives or holds on behalf of a customer in the course of, or in connection with, providing claims management services. Rules in relation to this can be found in Chapter 13 of the FCA's Client Assets sourcebook (CASS). These rules will apply to CMCs from 1 April 2019.

The rules and guidance about how applicant firms hold client money are designed to provide an adequate level of protection for consumers.

# 3 Fees and levies

**No additional notes**

# 4 Regulatory business plan

## 4.1 Effective date of changes

No additional notes

## 4.2 Reason for Variation

No additional notes

### **Please attach a full regulatory business plan**

As a guide, the business plan should include:

- full explanation of your business, its background and what it will do, including the types of claims you intend to handle
- objectives (eg, business opportunity, market share, aims)
- details of your governance framework and key personnel
- details of key operational matters
- experience and employment background of your firm's principals and an explanation of how they are competent to perform the regulated activities you want to carry on
- analysis of key business and regulatory risks
- your long-term strategy and financial projections for 3 years
- details of websites, promotions and communications
- details of all fees that could be payable by the customer, how they are explained to the customer and at which point(s) the customer is required to pay the fees details of how customers will be kept up to date with the progress of their claim

## 4.3 Does the applicant use or intend to use third party lead generators?

No additional notes

## 4.4 Does the applicant intend to accept introductions from exempt lead generators benefiting from the exclusion for certain providers of referrals?

No additional notes

## 4.5 Does the applicant intend to represent customers before a tribunal or make representations on behalf of the customer, to an ombudsman service or insurer?

No additional notes

## 4.6 Does the applicant have procedures in place for dealing with vulnerable consumer?

No additional notes

## 4.7 Please attach a copy of your pre-contract information in relation to your claims management activities

No additional notes

## 4.8 Please attached a sample copy of your customer contract in relation to your claims management activities

No additional notes



**4.9 You must provide a structure chart to show the nature of the relationship between the applicant firm and each close link (please include the business type of the close link).**

For more help to create a structure chart and to understand what a 'close link' is, please see [www.fca.org.uk/publications/systems-information/close-link-information.pdf](http://www.fca.org.uk/publications/systems-information/close-link-information.pdf)

**4.10 Are you aware of any information to suggest that any close link is likely to prevent our effective supervision of the applicant firm?**

No additional notes.

# 5 Threshold Conditions

Threshold Conditions are the minimum requirements a firm must satisfy to be, and to continue to be, authorised. When we consider the applicant firm's application we will assess whether you will satisfy, and continue to satisfy, the threshold conditions which are set out in full in the Threshold Conditions (COND) 2 Sourcebook of the Handbook at:

[www.handbook.fca.org.uk/handbook/COND/2/](http://www.handbook.fca.org.uk/handbook/COND/2/)

## **Location of Offices**

This is a requirement of Threshold Condition 2.2.

## **Effective Supervision**

The appropriate regulator must be capable of effectively supervising the firm. This is a requirement of Threshold Condition 2.3.

## **Appropriate resources**

We must be satisfied the applicant firm has adequate resources. We assess the quality and quantity of the applicant firm's resources for its:

- financial resources;
- management;
- staff; and
- systems and controls.

This is a requirement of Threshold Condition 2.4.

## **Prudential category**

We differentiate between our financial requirements by putting applicant firms in different prudential categories. The firm will fall into at least one prudential category; and it may fall into more than one prudential category, depending on its regulated activities.

The prudential categories for claims management are:

- Class 1; and
- Class 2;

The prudential categories in relation to claims management are set out in CMC0B 7.

## **Business model**

This is a requirement of Threshold Condition 2.7

## **Suitability**

We must be satisfied the applicant firm is 'fit and proper' to be authorised. This is a requirement of COND 2.5. We assess:

- the competence and ability of management;
- the management's commitment to carrying on the business with integrity; and
- the management's commitment to carrying on the business in compliance with the regulatory regime.

### **Compliance**

A firm must establish, maintain and carry out a Compliance Monitoring Programme of actions to check it complies, and continues to comply, with regulations. When assessing this application, we need to be satisfied the applicant firm has the appropriate compliance arrangements in place to meet its regulatory obligations. The applicant firm will need, as a minimum, to have in place procedures to meet our rules. These procedures must be ready for inspection at any time.

# 6

## EEA Notifications and Third-Country Banking and Investment Groups

### EEA Notifications

We need to know about any connected firms outside the UK but within the EEA because we may contact the relevant EEA Home State Regulators of these connected firms, as part of the application process.

### Third-Country Banking and Investment Groups

Definition of BIPRU firm

BIPRU firm has the meaning set out in the FCA or PRA handbook, as appropriate.

Definition of third-country banking and investment group

A third-country banking and investment group is a banking and investment group that is:

(a) headed by:

- (i) a credit institution;
- (ii) an asset management company;
- (iii) an investment firm; or
- (iv) a financial holding company;

that has its head office outside the EEA; and

(b) not part of a wider EEA banking and investment group.

# 7 Fees

The application fee is an integral part of your application. If you do not pay the appropriate fee in full with the completed application pack or when we contact you, we will not process your application. For further information on fees, see FEES 3 Annex 1.

You should note the firm's periodic fee may change as a result of this application.

# 8 Declaration

This must be the person who is responsible for making the application. This should be a suitable person of appropriate seniority at the firm.