

WEB ANNEXE B

CONSUMER CREDIT STATISTICS FOR 2003 TO 2004

NEW LICENCES, RENEWALS AND VARIATIONS

The OFT issues several thousand new consumer credit licences each year and keeps a public register of licensed traders and anyone who has ever applied for a licence. With a few exceptions, anyone whose business involves offering credit or lending money to individuals, whether directly or as a broker, must be licensed by the Office of Fair Trading under the Consumer Credit Act. The same goes for those who hire out goods, run credit agencies, collect credit debts or provide debt counselling or debt adjusting services.

TABLE B.1 – NEW STANDARD LICENCES

	<i>Apr 02/ Mar 03</i>	<i>Apr 03/ Mar 04</i>	<i>Cumulative totals 1976 to 2004</i>
Applications received	17,133	17,802	553,477
Licences issued	16,009	16,683	529,681
Still under consideration on 31 March	2,362	2,590	-

TABLE B.2 - EXISTING LICENCES: ACTION INSTIGATED BY LICENSEES

	<i>Apr 02 / Mar 03</i>	<i>Apr 03 / Mar 04</i>
<i>Renewal of licences:</i>		
Applications received	12,596	11,697
Renewal licences issued	11,678	10,856
Still under consideration on 31 st March	2,343	2,252
Licences allowed to lapse	35,241	36,693
<i>Variation of the terms of licences:</i>		
Applications received	4,762	4,618
Variations granted	4,110	4,080
Still under consideration on 31 March	998	649
<i>Changes in particulars about licensees:</i>		
Notifications received	10,210	12,889
<i>Voluntary surrender of licences:</i>		
Notices of surrender received	1,497	1,653

REFUSAL, REVOCATION, AND VARIATION OF LICENCES

Licences can be refused or revoked by the OFT if, after following established procedures, it remains unsatisfied that the trader is fit to have one. Between April 2003 and March 2004, the OFT served notices on applicants and licensees about their fitness to be granted, or to retain, a licence. Local authority enforcement officers play an essential role in this field, both by providing information about applicants and licensees, and by assisting in subsequent investigations. The 111 notices issued during the period were made up as follows:

'Minded to revoke' an existing licence	49
'Minded to refuse' an application for a licence	56
'Minded to refuse renewal' of an existing licence	5
'Minded to refuse the application to vary' an existing licence	0
'Minded to grant the application, but in terms different from those applied for'	1
Total	111

Anyone who receives such a notice has the opportunity to make written or oral representations, or both, against the proposed course of action. A higher

proportion of applicants and licensees exercised this right between January 2003 and March 2004 than in the previous financial year. Traders made representations in 74 of the 114 cases concluded (65 per cent) - compared with 93 of the 161 cases determined (58 per cent) in the earlier period. 62 per cent of those making representations asked for an oral hearing (57 per cent in 2002-03).

TABLE B.3 – LICENSING DECISIONS: CASE DETAILS FOR 2003-04

Refusals of applications for a standard licence (including refusals to renew an existing licence)

Date of determination *Case title*

Determinations against which there was no appeal

07 April 2003	Glenn Hunt
08 April 2003	Lucy Ann Goodyer
23 April 2003	Karl Anthony Fisher
25 April 2003	Terry Thomas Pepper
29 May 2003	Trevor Joseph Gibson
13 June 2003	Chadwick & Smedley
01 July 2003	Nathan Michael
04 September 2003	Shailesh Kataria
05 September 2003	Kenneth Ellis
05 September 2003	Willmakers of Distinction Limited
11 September 2003	Elite Fleet Limited
11 September 2003	Michael Oldham
22 September 2003	Friern Limited
02 October 2003	Terence Andrew O'Connell
03 October 2003	Tekno Computer Systems Limited
07 October 2003	Lance Stephen Lewis
15 October 2003	Centreset Limited
27 October 2003	Worldscape.Net Limited
05 November 2003	Balmoral (Audiological) Limited
01 December 2003	Credit Again Services (UK) Limited
18 December 2003	Timothy Andrew Dawes
28 January 2004	Tradecar Solutions Limited
29 January 2004	Car Clinic Services Limited
27 February 2004	Jeffery David Turner

Determinations for which the appeal period had not expired by 31 March 2004

04 March 2003 Harjinder Khatkar

Determinations where an appeal was pending on 31 March 2004

18 February 2004 Margaret Elizabeth Beryl Jones
18 February 2004 Geraint Teify Jones
29 October 2003 Arun Limited
30 September 2003 The Trade Centre Wales Limited

Determinations where an appeal was abandoned

07 April 2003 Lynda Janet Murray

Determinations where an appeal was withdrawn

04 September 2003 William Robert Parish

Revocations

Date of determination *Case title*

Determinations against which there was no appeal

16 June 2003 J & G Corporation Limited
02 July 2003 Pinetree Car Sales Limited
24 July 2003 Malcolm Ian Watsford-Wallace
12 September 2003 Caldon Limited
15 October 2003 Alistair Carins
23 October 2003 Robert Stevenson
05 November 2003 Ian Henderson Johansen
10 November 2003 Paul Ivor Llewellyn
27 November 2003 Freshstart Mortgage & Insurance Services Limited
03 December 2003 Karim Lalani
11 December 2003 Gary William Hodge
28 January 2004 Jeremy Mitchell
30 January 2004 John Taylor

11 February 2004	A & J Communications
11 February 2004	Andrew Fern

Determinations for which the appeal period had not expired by 31 March 2004

09 March 2004	Christopher Natt
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Determinations where an appeal was pending on 31 March 2004

08 August 2003	Dominic Andrew Bardsley
30 September 2003	Mark Thomas Raymond Bailey
05 November 2003	Edward Staniforth
11 December 2003	Clayton Gifford
10 February 2004	Faheem Ahmed Hashmi

TABLE B.4 - LICENSING DECISIONS AND APPEALS

	2002-03	2003-04
Notices served on applicants and licensees regarding fitness:		
• number served	118	111
• not determined in earlier years	80	62
Totals	198	173
Cases concluded as follows:		
• favourable determination	27	37
• adverse determination	64	52
• application withdrawn	13	9
• licence surrendered	8	9
• application made of no effect	0	0
• licence expired 1	2	1
• licence of no effect 2	6	2
• 'Minded to' notice withdrawn	2	3
• other outcomes	1	0
• still under consideration at end of period	75	60
Totals	198	173
Appeals to the Secretary of State:		
• lodged	6	9
• brought forward from earlier years	1	2
Totals	7	11
Disposed of as follows:		
• upheld	1	1
• not opposed	0	0
• dismissed	2	1
• abandoned	1	1
• withdrawn	1	1
• still under consideration	2	7
Totals	7	11

TABLE B.5 - APPLICATIONS WHERE MINDED TO REFUSE, OR MINDED TO GRANT IN DIFFERENT TERMS OR REFUSE TO VARY WAS ISSUED – BY BUSINESS AND TRADES AFFECTED

Period	Motor Trade	Home Maintenance & Fitted Appliances	Mortgage & Secured Credit	Non – Status Lending	Debt Collectors & Investigators	Other Financial Services	Sale & Lease of Commercial Equipment	Other (Misc)	Total
01/04/02 – 31/03/03	28	4	8	2	1	15	4	10	72
01/04/03 – 31/03/04	28	3	5	3	3	12	0	9	63

TABLE B:6 - LICENCES WHERE MINDED TO REVOKE, SUSPEND OR VARY COMPULSORILY – BY BUSINESS AND TRADES AFFECTED

Period	Motor Trade	Home Maintenance & Fitted Appliances	Mortgage & Secured Credit	Non – Status Lending	Debt Collectors & Investigators	Other Financial Services	Sale & Lease of Commercial Equipment	Other (Misc)	Total
01/04/02 – 31/03/03	16	2	6	2	1	10	2	7	46
01/04/03 – 31/03/04	19	4	8	3	3	4	0	7	48

UNLICENSED TRADING

In the financial year 2003-04, the OFT granted three validation orders, which allow agreements made while traders were not licensed to be treated as though they had been licensed. These applications are assessed by one of the OFT's Adjudicators who, in addition to any other relevant factors, must consider whether the applicant is to blame for the unlicensed trading, whether the applicant's conduct causes prejudice to the customers concerned, and whether it is likely that a licence would have been issued had proper application been made during the period of unlicensed trading. Nevertheless, the granting of an order does not mean that an agreement is automatically enforceable and, in certain circumstances, the trader may still have to pursue enforcement through the courts.

See table B.7

TABLE B.7 UNLICENSED TRADING – VALIDATION ORDERS SOUGHT: 2001 TO 2004

Year	Orders made	Applications withdrawn or made of no effect	Orders refused	Orders granted in different terms	Cases decided	Outstanding cases
Section 40(2): regulated credit or hire agreements made by an unlicensed trader						
2001	2	0	0	0	2	2
Jan 02/ Mar 03	4	0	0	0	4	0
Apr/02 Mar 03	1	0	0	0	1	0
2003/4	1	0	0	0	1	0
Section 148(2): agreements for the services of an unlicensed trader carrying on an ancillary credit business						
2001	0	0	0	0	0	0
Jan 02/ Mar 03	0	0	0	0	0	0
Apr/02 Mar 03	0	0	0	0	0	0
2003/4	0	0	0	0	0	0
Section 149(2): regulated credit or hire made by a trader with consumers introduced by an unlicensed credit broker						
2001	3	0	0	0	3	0
Jan 02/ Mar 03	1	0	0	0	1	0
Apr/02 Mar 03	1	0	0	0	1	0
2003-04	2	0	0	0	2	0

Source: Office of Fair Trading

GROUP LICENCES

General Notices

The following notices, issued by the Chairman, were advertised in the London, Edinburgh and Belfast Gazettes

No	Date issued	Subject
1104	28 April 2003	Scottish Association of CAB – variation
1105	26 June 2003	Approved Local Enterprise Agencies – renewal
1106	17 July 2003	Law Society of England & Wales – renewal
1107	12 January 2004	Home Computer Initiative Schemes – new issue

TABLE B.8 – GROUP LICENCES IN EFFECT ON 31 MARCH 2004

Organisations	Categories of business
Law Society of England and Wales	A, C, D, E
Law Society of Scotland	A, C, D, E
Law Society of Northern Ireland	A, C, D, E
National Association of Citizens Advice Bureaux	D
Liquidators and Receivers	A, B, C, D, E, F
Association of Chartered Certified Accountants	A, C, D
Institute of Chartered Accountants in England and Wales	A, C, D
Institute of Chartered Accountants in Ireland	A, C, D

Institute of Chartered Accountants in Scotland	A, C, D
Scottish Association of Citizens Advice Bureaux	D
Approved Local Enterprise Agencies	C, D
Advice UK	D
Higher Education Institutions	C
Highlands and Islands Enterprise	A, B, C, D
The Institute of Business Advisors	C, D
Home Computing Initiative Schemes	B

Licence categories:

A Consumer credit business	D Debt adjusting and debt counselling
B Consumer hire business	E Debt Collecting
C Credit brokerage	F Credit reference agency

GUIDANCE ISSUED TO LICENCE HOLDERS

The OFT issued *Debt collection guidance – Response to consultation paper and final guidance on unfair business practices* in July 2003. The guidance sets out the criteria the OFT uses to assess whether a debt collector is fit to hold a consumer credit licence.

The OFT also published *Debt management guidance compliance review* in November 2003, which showed that complaints about debt management companies had dropped substantially since the OFT published guidance for the industry in December 2001.

STOP NOW ORDER REGULATIONS 2001/ENTERPRISE ACT 2002

We had an agreed target to make 25 approaches under the Regulations and the Act to business each year in respect of infringements of the Consumer Credit Act 1974. Referrals could be made to Trading Standards for consideration where appropriate.

Apr 03/Mar 04 31 Approaches
Apr 03/Mar 04 23 Referrals

DIRECTIONS AND DETERMINATIONS

S60(3)

Under section 60(3) a consumer credit business, can apply to the Office to vary or waive the Act's requirements relating to the form and content of agreements if it is impracticable for the applicant to comply with them.

Apr 03/Mar 04 6 Directions

S101(8)

Section 101 of the Consumer Credit Act 1974 concerns the right to terminate hire agreements. Sub-section (8) gives the Office of Fair Trading the power to direct that this right shall not apply to certain agreements.

Apr 03/Mar 04 16 Directions

OVERDRAFTS ON CURRENT ACCOUNTS

By determinations made under section 74(3), on certain conditions – including notification to the Office – banks and building societies are exempt from some of the Act's requirements when they advance overdrafts on current accounts or finance certain defined probate agreements. (The exemptions cover requirements relating to the form and content of agreements and the provision of advance notice of cancellation rights).

Apr 03/Mar 04 0 Determination

POWERS OF ENTRY AND INSPECTION

1 application was made seeking the Office's authorisation under section 162(5) to use powers of entry and inspection.