

WEB ANNEXE B

CONSUMER CREDIT STATISTICS FOR 2005 TO 2006

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 04 / Mar 05</i>	<i>Apr 05 / Mar 06</i>	<i>Cumulative totals 1976 to 2006</i>
Applications received	15,392	14,912	583,781
Licences issued	16,568	14,138	560,387
Still under consideration on 31 March	1,166	1,502	-

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

	<i>Apr 04 / Mar 05</i>	<i>Apr 05 / Mar 06</i>
<i>Renewal of Licences:</i>		
Applications received	10,498	8,999
Renewal licences issued	11,436	9,365
Still under consideration on 31 March	1,141	769
Licences allowed to lapse	41,269	36,418
<i>Variations of the terms of licences:</i>		
Applications received	4,181	3,953
Variations granted	4,351	3,649
Still under consideration on 31 March	332	359

<i>Changes in particulars about licensees:</i>		
Notifications received	12,102	11,878
<i>Voluntary surrender of licences:</i>		
Notices of surrender received	1,704	1,316

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 2005 and March 2006, the OFT served 155 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 155 notices issued during the period were made up as follows:

'Minded to revoke' an existing licence	41
'Minded to refuse' an application for a licence	100
'Minded to refuse renewal' of an existing licence	14
'Minded to refuse the application to vary' an existing licence	0
'Minded to grant the application, but in terms different from those applied for'	0
Total	155

Anyone who receives such a notice has the opportunity to make written or oral representations, or both, against the proposed course of action. A lower proportion of applicants and licensees exercised this right between April 2005 and March 2006 than in the previous financial year. Traders made representations in 115 of the 165 cases concluded (70 per cent) - compared with 81 per cent in the earlier period. 77 per cent of those making representations asked for an oral hearing (61 per cent in 2004-05).

TABLE B.3 – LICENSING DECISIONS: CASE DETAILS FOR 2005-06

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

Determinations against which there was no appeal

<i>Date of determination</i>	<i>Case title</i>
07 April 2005	Patrick John Evans
11 April 2005	Midwest Mortgage Management Ltd
12 April 2005	Laurence Ian Werner

18 April 2005	Graham Wagstaffe
20 April 2005	Antiquity Ltd
20 May 2005	Harjit Singh Shota
25 May 2005	Emma Lousie Tovey
25 May 2005	Justin William Tidbury
27 May 2005	Blazes Fireplace and Heating Centres Ltd
13 June 2005	E P Palmieri
14 June 2005	D A Farr
21 June 2005	Jason Cooper
28 June 2005	L S Marriott
15 July 2005	BCM Vehicle Hire Ltd
04 August 2005	Linda Susan Cook
05 August 2005	William Niven
26 August 2005	St James Financial Services Ltd
06 September 2005	East Anglian Monitoring Ltd
07 October 2005	Twaleeb Ali Mohunger
12 October 2005	Alexis Peter Pericles Zuridis
19 October 2005	Milestone Motors Ltd
03 November 2005	Car Credit Solutions UK Ltd
09 November 2005	Shaun Peter Finnegan
14 November 2005	Ms Jane Allen
15 November 2005	Mr Gary Hardy
15 November 2005	G & K Associates Ltd
17 November 2005	Next Wave Technology UK Ltd
17 November 2005	Clive Bunneto Talburt
30 November 2005	G-Tec Information Solutions Ltd
02 December 2005	BHP Performance Cars
05 December 2005	Multilink Trade Ltd
07 December 2005	Fone4All Ltd
07 December 2005	Drivelane Ltd
18 January 2006	Michael Anthony Cluley Bolsin
20 January 2006	Phillip Michael James
30 January 2006	Devizes Motor Company Ltd
08 February 2006	J & P Newbury Ltd
17 February 2006	Mr M A Carrier
24 February 2006	Mr Ashok Kumar Roda
24 February 2006	Mr Nigel Smith

Determinations for which the appeal period had not expired by 31 March 2006

<i>Date of determination</i>	<i>Case title</i>
10 March 2006	Gordon McRae McCulloch
10 March 2006	Ideal Home and Improvements Ltd
13 March 2006	Nicholas David Fennell
15 March 2006	Trident Performance Ltd
17 March 2006	Ellite Carriages Ltd

Determinations where an appeal was pending on 31 March 2006

<i>Date of determination</i>	<i>Case title</i>
28 September 2005	Tracy-Anne Elizabeth Henney
28 September 2005	Lester John Stacey
08 November 2005	Nigel Robert Whiting
05 December 2005	Peter S Roberts Insurance Services Ltd
11 January 2006	Impulse Motor Company Ltd

Determinations where an appeal was withdrawn

<i>Date of determination</i>	<i>Case title</i>
23 June 2005	Peter Charles Collinson
18 October 2005	David Edward Phillips

Revocations

Determinations against which there was no appeal

<i>Date of determination</i>	<i>Case title</i>
25 May 2005	Eric Frank Williams
27 May 2005	Michael Bardon
27 May 2005	William Henry Fraser
27 May 2005	Maxwell Jacobs Ltd (formerly The Debt Organisation)
09 June 2005	Aberdeen Independent Financial Advice Ltd
24 August 2005	Charles Peter Bateman
26 August 2005	Harkanwaljit Singh Khabra
06 September 2005	Karen Jane Cunningham
16 November 2005	Associated Commercial Security Ltd
07 December 2005	Olabisi Ayodeji Olaniyan

Determinations for which the appeal period had not expired by 31 March 2006

<i>Date of determination</i>	<i>Case title</i>
03 March 2006	Euro Continental Cars

Determinations where an appeal was pending on 31 March 2006

<i>Date of determination</i>	<i>Case title</i>
08 November 2005	Provision Financial Services
01 December 2005	C F Consultants
14 December 2005	Just PC's
10 February 2006	Monitoring Direct Ltd

Determinations where an appeal was withdrawn

<i>Date of determination</i>	<i>Case title</i>
12 May 2005	Jacksons (Property Agents) Ltd
11 July 2005	Improve Your Home Ltd
15 September 2005	Tracie Irene Bell

TABLE B.4 - LICENSING DECISIONS AND APPEALS

	2004-05	2005-06
Notices served on applicants and licensees regarding fitness:		
• number served	130	155
• not determined in earlier years	59	40
Totals	189	195
Cases concluded as follows:		
• favourable determination	50	50
• adverse determination	63	75
• application withdrawn	12	20
• licence surrendered	17	9
• application made of no effect	1	0
• licence expired 1	2	4
• licence of no effect 2	1	2
• 'minded to' notice withdrawn	1	3
• other outcomes	2	0
• still under consideration at end of period	40	32
Totals	189	195
Appeals to the Secretary of State:		
• lodged	19	16
• brought forward from earlier years	7	15
Totals	26	31
Disposed of as follows:		
• upheld	1	4 *(1)
• not opposed	0	0
• dismissed	5	8
• abandoned/lapsed	0	1
• withdrawn	5	5
• still under consideration	15	13
Totals	26	31

*One appeal allowed after the OFT gave notice, following changes to management and ownership of the appellant, withdrawing its opposition to the appellant's appeal.

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

Period	Motor Trader	Home Maintenance & Fitted Appliances	Mortgage & Secured Credit	Non - Status Lending	Debt Collectors & Investigators	Other Financial Services	Sale & Lease of Commercial Equipment	Other (Misc)	Total
01/04/04 – 31/03/05	40	11	8	0	0	17	1	7	84
01/04/05 – 31/03/06	40	11	11	0	6	21	0	25	114

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

Period	Motor Trader	Home Maintenance & Fitted Appliances	Mortgage & Secured Credit	Non - Status Lending	Debt Collectors & Investigators	Other Financial Services	Sale & Lease of Commercial Equipment	Other (Misc)	Total
01/04/04 – 31/03/05	14	4	5	0	8	15	0	0	46
01/04/05 – 31/03/06	5	8	2	0	4	17	0	5	41

UNLICENSED TRADING

In the Financial Year 2005-06, the OFT granted one validation order. Validation orders 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.

TABLE B.7 - UNLICENSED TRADING – VALIDATION ORDERS SOUGHT: 2003-2006

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						
2003/4	2	0	0	1	2	0
2004/5	1	0	0	0	1	0
2005/6	0	0	0	0	0	0
Section 148(2): agreements for the services of an unlicensed trader carrying on an ancillary credit business						
2003/4	0	0	0	0	0	0
2004/5	0	0	0	0	0	0
2005/6	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						
2003/4	2	0	0	0	2	0
2004/5	0	0	0	0	0	0
2005/6	1	0	0	0	1	1
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
1117	25 April 2005	The Institute of Business Advisers – renewal
1118	25 April 2005	Approved Local Enterprise Agencies - renewal
1119	2 June 2005	Cycle to Work Scheme – new Group Licence
1120	28 July 2005	Higher Education Institutions – renewal
1121	28 July 2005	Law Society of England and Wales - renewal

TABLE B.8 – GROUP LICENCES IN EFFECT ON 31 MARCH 2006

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	B
Cycle to Work Scheme	B

Licence categories:

- A Consumer credit business
- B Consumer hire business
- C Credit brokerage
- D Debt adjusting and debt counseling
- E Debt collecting
- F Credit reference agency

GUIDANCE ISSUED TO LICENCE HOLDERS

None issued.

ENTERPRISE ACT 2002

Apr 05–Mar 06 1 Undertaking
 14 Warning Letters
 27 Referrals

DIRECTIONS AND DETERMINATIONS

S60(3)

Under section 60(3) a consumer credit business, can apply to the OFT 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 05–Mar 06 8 Directions

S101(8)

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

Apr 05–Mar 06 1887 Directions

OVERDRAFTS ON CURRENT ACCOUNTS

By determinations made under section 74(3), on certain conditions – including notification to the OFT – 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 05–Mar 06 3 Determinations

POWERS OF ENTRY AND INSPECTION

8 applications were made seeking the OFT's authorisation under section 162(5) to use powers of entry and inspection.