

Annual Report and Resource Accounts 2009-10

Annexe B

Consumer credit statistics, 1 April 2009 to 31 March 2010

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 (accessed at: www.oft.gov.uk/consumercreditregister). 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 reference agencies, collect credit debts or provide debt counselling, debt adjusting, debt administration, or credit information services.

Table B.1: New standard licences

	2008-09 (for comparison)	2009-10	Cumulative totals: 1976 to 2010
Applications received	10,575	8,475	634,536
Licences issued	10,579	8,529	608,906
Still under consideration at 31 March	1,201	688	-

Table B.2: Existing licences: action instigated by licensees

	2008-09 (for comparison)	2009-10
Renewal of licences:		
Applications received	6,975	6,827
Renewal licences issued	9,895	7,052
Still under consideration at 31 March	919	517
Licences allowed to lapse	19,677	20,030
Variations of the terms of licences:		
Applications received	4,285	4,017
Variations granted	3,281	3,544
Still under consideration at 31 March	470	227

Changes in particulars about licensees:		
Notifications received	9,623	8,211
Voluntary surrender of licences:		
Notices of surrender received	384	511

REFUSAL, REVOCATION, AND VARIATION OF LICENCES, AND THE IMPOSITION OF REQUIREMENTS

Licences can be refused or revoked by the OFT if, after following established procedures, we remain unsatisfied that the trader is fit to have one. Local Authority Trading Standards Services play an essential role in this field, both by providing information about applicants and licensees, and by assisting in subsequent investigations. Following the implementation of the Consumer Credit Act 2006 (in April 2008), requirements can be imposed where the OFT is dissatisfied with any matter in connection with a business or a proposal to carry on a business. Requirements may oblige a business to do or not to do (or to cease doing) anything connected with addressing the matter with which the OFT is dissatisfied.

Complaints

The OFT received a total of 5,599 complaints about licensed traders during 2009-10.

Notices issued

During 2009-10, the OFT served 84 notices on applicants and licensees about their fitness to be granted, or to retain, a licence. The 84 notices issued during the period were made up as follows.

Table B.3: Notices issued, 1 April 2009 – 31 March 2010

<i>Type of notice</i>	<i>Number issued</i>
'Minded to revoke' an existing licence	39
'Minded to refuse' an application for a licence	32
'Minded to refuse renewal' of an existing licence	2
'Minded to revoke or refuse the variation of terms'	4
'Minded to refuse or grant in terms'	1
'Minded to impose requirements'	6

Representations

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 during 2009-10 than in the previous financial year. Traders made representations in 46 of the 90 cases concluded (51 per cent) - compared with 77 per cent in the previous financial year. There was an increase in the number of oral representations with 72 per cent of those making representations requesting a hearing (65 per cent in 2008-9).

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

Table B.4: Determinations against which there was no appeal

<i>Determination Date</i>	<i>Case Title</i>
24/04/2009	A & H Debt Dissolvers Limited
30/04/2009	Andrew James
11/05/2009	Amanda Susan Jackson
16/06/2009	Mark Phillimore
08/07/2009	Paul Nicholson
10/07/2009	U-Turn Financial Solutions Ltd
15/07/2009	James Davenport
24/09/2009	Kamar Jalal
05/11/2009	Autobarnes of Wales Limited
09/12/2009	Greg De Guzman
18/12/2009	UK Restart Ltd
18/12/2009	Petitions Direct Limited
18/01/2010	G K Car Sales Limited
09/02/2010	Grace Darling Purdie
09/02/2010	PRO Driver Leasing
23/02/2010	One 2 One Finance Limited

Table B.5: Determinations for which the appeal period had not expired by 31 March 2010

None

Table B.6: Determinations where an appeal was pending at 31 March 2010

<i>Determination Date</i>	<i>Case Title</i>
22/01/2010	Nasser Mohammed Yusuf

Table B.7: Determinations where an appeal was withdrawn

<i>Determination Date</i>	<i>Case Title</i>
01/12/2009	Kieran Sean Rooney

Table B.8: Determinations where an appeal was dismissed

<i>Determination Date</i>	<i>Case Title</i>
25/09/2008	Unified Independent Financial Planning Ltd*
28/01/2009	QSolvency Ltd*
23/06/2009	Dalvinder Basran

*these appeals were still pending at 31 March 2009

Table B.9: Determinations where an appeal was struck out

<i>Determination Date</i>	<i>Case Title</i>
04/08/2009	Garry Andrew Donoghue

Revocations of existing licences

Table B.10: Determinations against which there was no appeal

<i>Determination Date</i>	<i>Case Title</i>
09/03/2009	OCS Property and Financial Services Ltd*
09/03/2009	Shaun Lawrence*
17/03/2009	Andrew Talai*
23/04/2009	Oasis Mortgages & Financial Services Ltd
23/04/2009	John Alexander Mortgage Packaging Services Ltd
24/04/2009	Dynamic Mortgage Brokers Ltd
19/05/2009	Mandy Jane Rowland
23/06/2009	Michael David Allison t/a Preseli Car Sales
08/07/2009	Stephen Keith Farrell
10/07/2009	Moses Luzinda t/a Remos & Co
22/07/2009	Penn Financial Services Ltd

29/07/2009	Orchard House Mortgages Ltd
10/08/2009	Millennium Finance UK Ltd
08/09/2009	Gordon Thomas Rose
13/10/2009	Stargate Associates Ltd
09/11/2009	Derick Anthony Whewall t/a The Mortgage Exchange
30/11/2009	George Albert Loscombe
11/12/2009	Natalie Morris
22/12/2009	Giuliano Chianelli
17/02/2010	Peter John Carr
23/02/2010	Tony Riley
08/03/2010	Neil Guy King

*the appeal period for these determinations had not expired by 31 March 2009

Table B.11: Determinations for which the appeal period had not expired by 31 March 2010

<i>Determination Date</i>	<i>Case Title</i>
12/03/2010	Christian Daniel Orpin
16/03/2010	Stephen Neil Sanders
31/03/2010	Neil John Taylor

Table B.12: Determinations where an appeal was pending on 31 March 2010

<i>Determination Date</i>	<i>Case Title</i>
05/01/2009	European Environmental Controls Ltd*
16/10/2009	Nine Regions Ltd
16/10/2009	Log Book Loans
18/12/2009	International Marketing Limited
21/12/2009	Compensation Professionals Network Ltd
18/02/2010	JST Financial Solutions Limited

*this appeal was still pending at 31 March 2009

Table B.13: Determinations where an appeal was withdrawn

<i>Determination Date</i>	<i>Case Title</i>
11/06/2009	Rhidian Charles Goddard

Table B.14: Determinations where an appeal was dismissed

<i>Determination Date</i>	<i>Case Title</i>
10/12/2008	Nana Kwame Kusi-Appiah*
14/01/2009	Vale Road Card Ltd*

*these appeals were still pending at 31 March 2009

Revocations or refusals of variation of terms of existing licences

Table B.15: Determinations against which there was no appeal and the licence was revoked

<i>Determination Date</i>	<i>Case Title</i>
18/12/2009	UK Bankruptcy Ltd
18/12/2009	UK Mortgage Link Limited

Table B.16: Determinations where an appeal was pending on 31 March 2010

<i>Determination Date</i>	<i>Case Title</i>
18/12/2009	Bankruptcy Limited

Table B.17: Imposition of requirements

<i>Date</i>	<i>Case Title</i>	<i>Source</i>
15/04/2009	Mackenzie Hall Limited	Proposal from trader
23/04/2009	Citifinancial Europe plc	Proposal from trader
27/04/2009	MoneyOwing	Proposal from trader
01/05/2009	Totemic Limited	Proposal from trader
01/05/2009	Just A Bank Limited	Proposal from trader
01/05/2009	Who's Packagin Limited	Proposal from trader
01/05/2009	Financial Makeover Limited	Proposal from trader
01/05/2009	Payplan Partnership	Proposal from trader
01/05/2009	Payplan Solutions Limited	Proposal from trader
01/05/2009	Payplan IVA Limited	Proposal from trader
01/05/2009	Payplan Financial Services Limited	Proposal from trader
01/05/2009	Payplan Limited	Proposal from trader
01/05/2009	Law2Law Limited	Proposal from trader
01/05/2009	Link Financial Limited	Proposal from trader
09/06/2009	1 st Locate	Proposal from trader

11/06/2009	Colin Frost	Formal notice by OFT
19/06/2009	Michael Reginald Penwill	Formal notice by OFT
13/07/2009	Yes Loans Ltd	Proposal from trader
05/08/2009	Aldsworth Black	Proposal from trader
09/09/2009	Help With Debt	Formal notice by OFT
16/09/2009	G K Insolvency Limited	Proposal from trader
16/11/2009	Post Net Ltd	Formal notice by OFT
16/11/2009	Haymarket Lending Ltd	Formal notice by OFT
16/11/2009	Financial Processing Ltd	Formal notice by OFT
16/11/2009	RG Debt Management Services Ltd	Formal notice by OFT
01/12/2009	Rehen Ahmed	Proposal from trader
14/12/2009	Newtomorrow Limited	Proposal from trader
09/02/2010	Reset Finance Limited	Proposal from trader
24/02/2010	Smooth Financial Consultants Ltd	Proposal from trader
10/03/2010	Fosseway Enforcement Limited	Proposal from trader

There was a further appeal made by Yorkshire Diesel Centre and D & I Blundell Limited which did not relate to a licensing decision. This appeal was struck out.

Table B.18: Licensing decisions and appeals

	2008-09 (for comparison)	2009-10
Notices served on applicants and licensees regarding fitness:		
number served	62	84
not determined in earlier years	31	22
Totals	93	106
Cases concluded as follows:		
favourable determination	7	21
favourable determination with undertakings	8	1
adverse determination	40	52
application withdrawn	5	7
licence surrendered	10	6
application made of no effect	0	0
licence expired	0	0
licence of no effect	1	0
'Minded to' notice withdrawn	0	2
other outcomes	0	0
still under consideration at end of period	22	17
Totals	93	106

Appeals to the First Tier Tribunal*:		
lodged	13	12
brought forward from earlier years	2	5
Totals	15	17
Disposed of as follows:		
upheld	3	0
not opposed	2	0
dismissed	3	5
struck out	0	2
withdrawn	1	2
other outcome**	1	0
still under consideration	5	8
Totals	15	17

*Appeals lodged before 1 September 2009 were made to the Consumer Credit Appeals Tribunal.

** Licence issued on terms agreed between the OFT and the appellant and approved by the Consumer Credit Appeals Tribunal.

Table B.19: Applications with 'Minded To Refuse' or 'Minded To Grant In Different Terms' issued – by business and trades affected

	2008-09 (for comparison)	2009-10
Motor Trader	8	10
Home Maintenance & Fitted Appliances	2	2
Mortgage & Secured Credit	4	4
Non - Status Lending	0	0
Debt Collectors & Investigators	2	4
Other Financial Services	8	15
Sale & Lease of Commercial Equipment	0	0
Other (Misc.)	3	0
Total	27	35

Table B.20: Licences with Minded To Revoke, Suspend or Compulsorily Vary issued – by business and trades affected

	2008-09 (for comparison)	2009-10
Motor Trader	7	1
Home Maintenance & Fitted Appliances	0	0
Mortgage & Secured Credit	9	7
Non - Status Lending	0	0

Debt Collectors & Investigators	1	4
Other Financial Services	16	31
Sale & Lease of Commercial Equipment	0	0
Other (Misc.)	1	0
Total	34	43

UNLICENSED TRADING

In the financial year 2009/10, the OFT granted nine validation orders. 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.21: Validation orders sought: 2007-2010

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						
2007-08	3	0	0	0	3	1
2008-09	6	0	1	0	7	1
2009-10	8	0	0	0	8	0
Section 148(2): agreements for the services of an unlicensed trader carrying on an ancillary credit business						
2007-08	0	0	0	0	0	0
2008-09	2	0	0	0	2	0
2009-10	1	0	0	0	1	0
Section 149(2): regulated credit or hire made by a trader with consumers introduced by an unlicensed credit broker						
2007-08	0	0	0	0	0	0
2008-09	1	0	0	0	1	0
2009-10	0	0	0	0	0	0

One application was made under more than one section of the Act. This has been recorded separately under each relevant section.

GROUP LICENCES

General Notices

One licence renewed in 2009/10.

Table B.22: Group licences in effect on 31 March 2010

<i>Organisations</i>	<i>Categories of Business*</i>
Law Society of England and Wales	A, C, D, E, F, G, H
Law Society of Scotland	A, C, D, E, F, G, H
Law Society of Northern Ireland	A, C, D, E, F, G, H
National Association of Citizens Advice Bureaux	D, E, H
Liquidators and Receivers	A, B, C, D, E, F, I
Association of Chartered Certified Accountants	A, C, D, E, G, H
Institute of Chartered Accountants in England and Wales	A, C, D, E, G, H
Institute of Chartered Accountants in Ireland	A, C, D, E, G, H
Institute of Chartered Accountants in Scotland	A, C, D, E, G, H
Scottish Association of Citizens Advice Bureaux	D, E, H
Advice UK	D, E, H
Higher Education Institutes	C
Cycle to Work Scheme	B
National Federation of Enterprise Agencies	C, D, E
Enterprise Northern Ireland Limited	C, E
Law Centres Federation	D, E, H

* Uses categories of business effective from 6 April 2008 onwards listed below.

Licence categories:

- A Consumer credit business
- B Consumer hire business
- C Credit brokerage
- D Debt adjusting (includes non-commercial where relevant)
- E Debt counseling (includes non-commercial where relevant)
- F Debt collecting

- G Debt administration
- H Provision of credit information services (includes non-commercial where relevant)
- I Credit reference agency

ENTERPRISE ACT 2002

- 0 undertakings
- 0 warning letters
- 1 determination

POWERS OF ENTRY AND INSPECTION

The OFT exercised its power to require the production of documents, information and bank records from suspects, their solicitors and financial institutions under section 162 of the Consumer Credit Act 1974 on 16 occasions (these 16 occasions are spread over the lifetime of the investigation, including some from the financial year 08-09) in the context of a criminal investigation in which the OFT were seeking to ascertain whether a breach of section 39/169 of the Consumer Credit Act 1974 had been committed by the suspect company and its officers.

Seven applications were made seeking the OFT's authorisation under section 162(5) of the Consumer Credit Act to use powers of inspection for bank account records.

The OFT exercised its power under section 36C of the Consumer Credit Act to require access to the premises of 230 licensed businesses in order to observe the carrying on of that business.

DIRECTIONS AND DETERMINATIONS

S60(3)

Under section 60(3) of the Consumer Credit Act 1974 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.

33 directions issued

S101(8)

Section 101 of the Consumer Credit Act 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.

0 applications refused

0 directions issued

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 Consumer Credit Act's requirements when they advance overdrafts on current accounts or finance certain defined probate agreements. (The exemptions cover requirements relating to pre-contract information, the form and content of agreements and copy documents).

0 determinations issued