

Annexe B

Consumer credit statistics 1 April 2006 to 31 March 2007

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 05 / Mar 06</i>	<i>Apr 06/ Mar 07</i>	<i>Cumulative totals 1976 to 2007</i>
Applications received	14,912	16,513	600,294
Licences issued	14,138	13,944	574,331
Still under consideration on 31 March	1,502	3,301	-

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

	<i>Apr 05 / Mar 06</i>	<i>Apr 06 / Mar 07</i>
<i>Renewal of Licences:</i>		
Applications received	8,999	9,087
Renewal licences issued	9,365	7,833
Still under consideration on 31 March	769	2,006
Licences allowed to lapse	36,418	19,324
<i>Variations of the terms of licences:</i>		
Applications received	3,953	4,007
Variations granted	3,649	3,491
Still under consideration on 31 March	359	420
<i>Changes in particulars about licensees:</i>		
Notifications received	11,878	10,484
<i>Voluntary surrender of licences:</i>		
Notices of surrender received	1,316	978

Refusal, revocation, and variation of licences

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.

Complaints

The Consumer Credit Fitness Investigation and Enforcement Teams at the OFT received a total of 2,582 enquiries and complaints about licensed traders between April 2006 and March 2007.

Notices issued

During the same time period the OFT served 94 notices on applicants and licensees about their fitness to be granted, or to retain, a licence. The 94 notices issued during the period were made up as follows:

'Minded to revoke' an existing licence	28
'Minded to refuse' an application for a licence	58
'Minded to refuse renewal' of an existing licence	6
'Minded to refuse the application to vary' an existing licence	0
'Minded to grant the application, but in terms different from those applied for'	2
Total	94

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 between April 2006 and March 2007 than in the previous financial year. 97 cases were concluded during this period and traders made representations in 65 (67 per cent) of these cases compared with 70 per cent in the previous year. 75 per cent of those making representations asked for an oral hearing (77 per cent in 2005-06).

Table B.3 – Licensing decisions: case details for 2006-07

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

Determinations against which there was no appeal

<i>Determination Date</i>	<i>Case Title</i>
07 April 2006	Lighthouse (North West) Ltd
24 April 2006	Security Direct (GB) Ltd
12 May 2006	Jason Bacon
05 July 2006	Wade Industries Ltd
05 July 2006	MYPC UK Ltd
07 July 2006	Booth Furniture Ltd
12 July 2006	Colm Stephen Sloan
31 July 2006	Richard Simons
31 July 2006	Derby Commercial Centre Ltd
09 August 2006	Stephen Nielsen
11 August 2006	Total Supplies
06 September 2006	County Garages Ltd
13 September 2006	Nasib Rahman
15 September 2006	Stephen Mungroo
15 September 2006	Glo Studios Ltd
22 September 2006	Richard Paul Henry Grice
02 October 2006	Christine Watson
18 October 2006	Paul Kevin Bentley
20 October 2006	Amer Iqbal Ellahi
01 November 2006	Abul Hassan Masum
17 November 2006	G D Debt Consultancy Ltd
22 November 2006	Synchronicity 2000 Ltd
06 December 2006	Matthew Maurice James
08 December 2006	Claire Antonia Ford
24 January 2007	Andy's of Dover
26 January 2007	Michael Allen
31 January 2007	Yarm Windows and Conservatories Ltd

Determinations for which the appeal period had not expired by 31 March 2007

<i>Determination Date</i>	<i>Case Title</i>
06 March 2007	Richard Graham Ramsden
09 March 2007	Autowise Solutions Ltd
14 March 2007	London North Securities
19 March 2007	Best 4 Business Communications Ltd
19 March 2007	Fernando Urba Lluís Heeroma
19 March 2007	Mobility Care Centre Ltd
21 March 2007	Star Cars (Cambs) Ltd
30 March 2007	Lee Garford

Determinations where an appeal was pending on 31 March 2007

<i>Determination Date</i>	<i>Case Title</i>
23 August 2006	Gordon Potsworth
22 September 2006	Robert Peter Rogers
03 January 2007	Sonny Varey

Determinations where an appeal was withdrawn

<i>Determination Date</i>	<i>Case Title</i>
11 August 2006	Mr David John Chadwick and Mrs Gale Chadwick t/a Celtic Cars

Revocations

Determinations against which there was no appeal

<i>Determination Date</i>	<i>Case Title</i>
26 April 2006	Kenneth McKeon
05 July 2006	First Domestic Finance
13 September 2006	C.A.R.E.S (GB) Ltd
18 October 2006	Automated Facilities Management Group Ltd
01 November 2006	J & P Investments Ltd
20 November 2006	Waterfront Financial Ltd
24 November 2006	Rays Motors
31 January 2007	Mastercraft Design & Developments Ltd

Determinations for which the appeal period had not expired by 31 March 2007

<i>Determination Date</i>	<i>Case Title</i>
14 March 2007	Broadwick Financial Services Limited
21 March 2007	Eamon Joseph White
21 March 2007	George White
28 March 2007	First Class Mortgages Limited
28 March 2007	First Class Debt Solutions Limited

Determinations where an appeal was pending on 31 March 2007

<i>Determination Date</i>	<i>Case Title</i>
25 August 2006	Anthony Roberts

Determinations where an appeal was withdrawn

None

Table B.4 - Licensing decisions and appeals

	2005/6	2006/7
Notices served on applicants and licensees regarding fitness:		
• number served	155	94
• not determined in earlier years	40	31
Totals	195	125
Cases concluded as follows:		
• favourable determination	50	23
• adverse determination	75	54
• application withdrawn	20	6
• licence surrendered	9	10
• application made of no effect	0	0
• licence expired 1	4	2
• licence of no effect 2	2	0
• 'Minded to' notice withdrawn	3	2
• other outcomes	0	0
• still under consideration at end of period	32	28
Totals	195	125
Appeals to the Secretary of State:		
• lodged	16	6
• brought forward from earlier years	15	13
Totals	31	19

Disposed of as follows:

• upheld	4 *(1)	2
• not opposed	0	0
• dismissed	8	9
• abandoned/lapsed	1	0
• withdrawn	5	4
• still under consideration	13	4
Totals	31	19

*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
01/04/05 - 31/03/06	40	11	11	0	6	21	0	25	114
01/04/06 - 31/03/07	24	12	4	1	0	19	0	6	66

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
01/04/05 - 31/03/06	5	8	2	0	4	17	0	5	41
01/04/06 - 31/03/07	4	2	5	1	3	10	2	1	28

Unlicensed trading

In the Financial Year 2006-07, the OFT granted five 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.7 – Unlicensed trading, validation orders sought: 2004-2007						
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						
2004/5	1	0	0	0	1	0
2005/6	0	0	0	0	0	0
2006/7	4	1	0	0	5	1
Section 148(2): agreements for the services of an unlicensed trader carrying on an ancillary credit business						
2004/5	0	0	0	0	0	0
2005/6	0	0	0	0	0	0
2006/7	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						
2004/5	0	0	0	0	0	0
2005/6	1	0	0	0	1	1
2006/7	1	0	0	0	1	0
Source: Office of Fair Trading						

GROUP LICENCES

General Notices

O issued for 2006-07 Financial Year

Table B.8 – Group licences in effect on 31 March 2007	
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 Bureaus	D
Approved Local Enterprise Agencies	C, D
Advice UK	D
Higher Education Institutes	C
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 counselling
- E Debt Collecting
- F Credit reference agency

Guidance issued to licence holders

Group Licensing Regime – Response to consultation and guidance on revised policy and administration requirements

Enterprise Act 2002

- 8 Undertakings
- 23 Warning Letters
- 70 Referrals

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.

14 Directions

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. This figure includes variation notices sent to the businesses for which s101(8) Directions had previously been issued.

3285 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 Consumer Credit 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).

0 Determinations

Powers of entry and inspection

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