
Annual Report and Resource Accounts 2008-09 – Annexe B

Consumer credit statistics 1 April 2008 to 31 March 2009

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.offt.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

	01/04/07 – 31/03/08	01/04/08 – 31/03/09	Cumulative totals 1976 to 2009
Applications received	15,192	10,575	626,061
Licences issued	15,467	10,579	600,377
Still under consideration at 31 March	1,783	1,201	-

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

	01/04/07 – 31/03/08	01/04/08 – 31/03/09
Renewal of licences:		
Applications received	10,781	6,975
Renewal licences issued	5,889	9,895
Still under consideration at 31 March	4,246	919
Licences allowed to lapse	19,691	19,677
Variations of the terms of licences:		
Applications received	4,082	4,285
Variations granted	3,586	3,281
Still under consideration at 31 March	369	470

Changes in particulars about licensees:		
Notifications received	11,282	9,623
Voluntary surrender of licences:		
Notices of surrender received	408	384

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 has received a total of 3,653 complaints about licensed traders between April 2008 and March 2009.

Notices issued

Between April 2008 and March 2009, the OFT served 62 notices* on applicants and licensees about their fitness to be granted, or to retain, a licence. The 62 notices issued during the period were made up as follows:

'Minded to revoke' an existing licence	34
'Minded to refuse' an application for a licence	25
'Minded to refuse renewal' of an existing licence	1
'Minded to refuse the application to vary' an existing licence	1
'Minded to compulsorily vary' an existing licence	0
'Minded to grant the application, but in terms different from those applied for'	0
'Minded to impose requirements'	1

*One applicant was served simultaneously with two notices, which are noted separately.

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 higher proportion of applicants and licensees exercised this right between April 2008 and March 2009 than in the previous financial year. Traders made representations in 55 of the 71 cases concluded (77 per cent) - compared with 71 per cent in the earlier period. Sixty five per cent of those making representations asked for an oral hearing (75 per cent in 2007-08).

Table B.3 – Licensing decisions: case details for 2008-09

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

Determinations against which there was no appeal

Determination

Date	Case title
04/04/2008	Country and Town Driveways Ltd
04/04/2008	Countrywise Driveways Ltd
25/04/2008	Ian David Jones
04/06/2008	Manoj Kumar Chopra
04/06/2008	G W Autoserve Ltd
18/06/2008	John Ritchie Whyte
27/06/2008	Cheryl Burt
07/07/2008	Hillside Motor Sales
18/07/2008	Carl Peter Grimsley
23/10/2008	Philip Tatham
06/11/2008	Craig Alan Watt
11/11/2008	David Smith

Determinations for which the appeal period had not expired by 31 March 2009

None

Determinations where an appeal was pending at 31 March 2009

Determination

Date	Case title
25/09/2008	Unified Independent Financial Planning Ltd
28/01/2009	Qsolvency Ltd

Determinations where an appeal was withdrawn

Determination

Date	Case title
04/11/2008	Haven Car Sales Ltd

Revocations of existing licences

Determinations against which there was no appeal

Determination

Date	Case title
04/04/2008	Christie's Bedrooms Ltd
16/05/2008	David Robert Woods
13/06/2008	Richard James Sixsmith
16/06/2008	Harrison Spence Partnership
20/06/2008	Gary Nicholas Thomas
30/07/2008	Vehicle Seller UK Ltd
26/09/2008	Rukhsana Malik
16/10/2008	Richard Powell
24/10/2008	Ramesh Krishna Rajan
10/12/2008	Leo Kusi-Appiah
10/12/2008	Luther Kusi-Appiah

Determinations for which the appeal period had not expired by 31 March 2009

Determination

Date	Case title
09/03/2009	OCS Property and Financial Services Ltd
09/03/2009	Shaun Lawrence
17/03/2009	Andrew Talai

Determinations where an appeal was pending on 31 March 2009

Determination

Date	Case title
10/12/2008	Nana Kwame Kusi-Appiah
05/01/2009	European Environmental Controls Ltd
14/01/2009	Vale Road Cars Ltd

Determinations where an appeal was withdrawn

None

Imposition of requirements

Date	Case title	Source
05/11/2008	iQor Philippines Inc.	Proposal from trader
19/02/2009	1 st Credit Limited	Proposal from trader
19/02/2009	Kris Buda	Formal notice by OFT

Table B.4 – Licensing decisions and appeals

	2007-08	2008-09
Notices served on applicants and licensees regarding fitness:		
• number served	79	62
• not determined in earlier years	28	31
Totals	107	93
Cases concluded as follows:		
• favourable determination	18	7
• favourable determination with undertakings	8	8
• adverse determination	41	40
• application withdrawn	2	5
• licence surrendered	4	10
• application made of no effect	0	0
• licence expired	0	0
• licence of no effect	1	1
• 'Minded to' notice withdrawn	1	0
• other outcomes	0	0
• still under consideration at end of period	31	22
Totals	107	93
Appeals to the Consumer Credit Appeals Tribunal*:		
• lodged	5	13
• brought forward from earlier years	4	2
Totals	9	15
* Appeals lodged before 6 April 2008 were made to the Secretary of State for Business, Enterprise and Regulatory Reform.		
Disposed of as follows:		
• upheld	1	3
• not opposed	0	2
• dismissed	3	3
• abandoned/lapsed	0	0
• withdrawn	3	1
• other outcome*	0	1
• still under consideration	2	5
Totals	9	15
* Licence issued on terms agreed between the OFT and the appellant and approved by the Consumer Credit Appeals Tribunal.		

Table B.5 – Applications with Minded to Refuse or Minded to Grant in Different Terms 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
01/04/07 – 31/03/08	10	2	4	0	0	19	0	7	42
01/04/08 – 31/03/09	8	2	4	0	2	8	0	3	27

Table B.6 – Licences with Minded to Revoke, Suspend or Compulsorily Vary 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
01/04/07 – 31/03/08	10	1	5	0	0	13	0	8	37
01/04/08 – 31/03/09	7	0	9	0	1	16	0	1	34

UNLICENSED TRADING

In the financial year 2008-09, the OFT granted seven 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 – Validation orders sought: 2006-2009						
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						
2006-07	4	1	0	0	5	1
2007-08	3	0	0	0	3	1
2008-09	6	0	1	0	7	1
Section 148(2): agreements for the services of an unlicensed trader carrying on an ancillary credit business						
2006-07	0	0	0	0	0	0
2007-08	0	0	0	0	0	0
2008-09	2	0	0	0	2	0
Section 149(2): regulated credit or hire made by a trader with consumers introduced by an unlicensed credit broker						
2006-07	1	0	0	0	1	0
2007-08	0	0	0	0	0	0
2008-09	1	0	0	0	1	0

Two applications were made under more than one section of the Act. They have been recorded separately under each relevant section.

GROUP LICENCES

General notices

Two licences issued, one renewed and nine varied in 2008-09.

Table B.8 – Group licences in effect on 31 March 2009	
Organisations	Categories of business*
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

Licence categories:

- A Consumer credit business
- B Consumer hire business
- C Credit brokerage
- D Debt adjusting (includes non-commercial where relevant)
- E Debt collecting
- G Debt administration
- H Provision of credit information services (includes non-commercial where relevant)
- I Credit reference agency

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

ENTERPRISE ACT 2002

- 6 undertakings
- 13 warning letters
- 5 referrals

POWERS OF ENTRY AND INSPECTION

The OFT exercised its powers of entry and inspection under section 162 of the Consumer Credit Act to require the production of documents, information and bank records relating to the activities of one business in order to ascertain whether a breach of any provision of the Consumer Credit Act had been committed.

The OFT exercised its power under section 36c of the Consumer Credit Act to require access to the premises of one licensed business 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.

108 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.

1 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 the form and content of agreements and the provision of advance notice of cancellation rights).

3 determinations issued

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 inspection for bank account records.