

Consumer Credit Licensing

Credit Competence Plan – OFT Form CCP 1

For more information go to www.offt.gov.uk

Please read these guidance notes carefully before completing the form.

What is the purpose of this form?

The Credit Competence Plan is designed to assist the Office of Fair Trading (OFT) in considering the skills, knowledge, experience and business controls of an applicant or licensee in determining whether it is competent to carry out regulated consumer credit activities.

We will use the information you provide on this form, together with information from your application form, and other relevant data sources, in order to decide whether you are fit to hold a licence and if so, on what terms.

If you knowingly or recklessly misrepresent, or fail to reveal, information that you are asked to provide, you will have committed a criminal offence under the Consumer Credit Act 1974.

Please note that, after receipt of your completed form, we may still need to contact you for any further information we consider necessary to determine your fitness to hold a licence.

Who should fill in this form?

This form is applicable for all applicants for the following licence categories:

Debt collection

Commercial debt counselling

Commercial debt adjusting

Commercial credit repair

Before completing the form you should check whether you actually need to apply for a consumer credit licence.

YOU SHOULD ONLY APPLY FOR LICENCE CATEGORIES WHICH YOU WILL ACTUALLY UNDERTAKE.

See www.offt.gov.uk for further details.

Contents of the form

The contents of the form are as follows:

Part 1	Identification details
Part 2	Competence evidence
	Section 1 Skills, knowledge and experience
	Section 2 Business practices and procedures
	Section 3 Competence for specific activities
	Debt collection – Page 20
	<i>Debt purchasing</i>
	<i>Tracing activities</i>
	<i>Enforcement Agents (including bailiffs)</i>
	Debt adjusting and counselling – Page 29
	<i>IVA provision (Scotland – Trust Deeds)</i>
	Credit repair – Page 34
	Section 4 Supporting documents
Part 3	Declaration

Data protection

The information you provide in this form will be processed in accordance with data protection principles. Whilst the Data Protection Act 1998 and section 237 of the Enterprise Act 2002 restrict disclosure of the information provided in this form, they also allow disclosure for a number of purposes without your further consent. You will be informed of such disclosure where this is reasonably practical.

For example, the OFT may use the information in connection with enforcement or regulatory action it takes under its own powers or may refer the information to other government departments or regulatory, enforcement or public authorities in connection with the exercise of their functions.

For help with this form, call 020 7211 8608, 9am to 5pm Monday to Friday.

Filling in the form

The purpose of this form is to collect information about your skills, knowledge and experience in relation to the high-risk credit activities which you have applied for; and about the business practices and procedures which you will have in place to ensure you are able to comply with the standards of business behaviour expected from those who engage in these credit activities.

Some of the questions in the form are worded in general terms and this reflects the large differences between the types of firms which will need to apply for these licence categories, ranging from small businesses to large corporations.

Equally there are a wide range of compliance controls which a business may have in place depending on its size and the nature of its operation. The form reflects this and asks a number of questions which may not be relevant to all applicants; you should write “not applicable” when you believe this to be the case, giving a brief explanation of why you consider the information requested is not applicable to your business.

Applicants should aim to provide all relevant information in a concise manner. Applicants who have large and complex procedures and systems in place should summarise their primary operational features and what they are intended to achieve.

NEW APPLICANTS may not have any systems in place prior to obtaining their licence. For the purposes of this form they should give details of the systems which they intend to put in place if their licence application is successful and the anticipated timing for doing so.

EXISTING LICENCE HOLDERS should give details of current systems and methods of business, giving details of any planned changes if they are relevant.

Next steps

When you have completed this form you should check carefully that you have filled in the form correctly and answered all relevant questions.

You should then upload the form with your online application.

Alternatively email the form to ccl@oft.gsi.gov.uk or post the form to us at:

Consumer Credit Licensing
PO Box 62691
London
EC4P 4UW

Upon receipt of this form the OFT will review the information which you have provided and will then make a decision on whether or not an on-site visit is required with a view to validating the information which you have provided. If an on-site visit is required then you will be contacted by an officer from your Local Authority Trading Standards Service, or by an officer of the OFT, who will arrange a suitable time for the visit.

Part 1 – Identification details

Your details

Important please write clearly in **black ink** using **CAPITAL LETTERS**

Applicant/licensee

Main Contact/
Compliance Officer

Consumer Credit
Licence number
(for existing licensees)

Unique Form Reference
(UFR) for on-line
applications

Telephone number

Email address

Web addresses (list all)

Part 2 – Competence evidence

Section 1: Skills, knowledge and experience (all applicants)

1. Please provide details of your relevant skills and knowledge in respect of the credit categories and types of credit business you have applied for, and any relevant credit experience which you may have.

2. Have you received any training relevant to the credit activities you are seeking to undertake (include any training due to be undertaken in the next three months)?

Yes No

If yes, please give details of any training and/or related qualifications/certification etc.

- 3.** Who will have responsibility for ensuring the compliance of your business with the Consumer Credit Act 1974, other relevant legislation and OFT Guidance? Please give his/her name and contact details.

- 4.** If applicable, please provide details of any relevant training, experience and/or qualifications of the person named in question 3 in order to demonstrate his/her suitability to carry out these duties.

- 5.** Please state whether the person responsible for compliance will report directly to the board of directors, or any other senior manager/officer, and provide details.

- 6.** How do you and/or relevant employees intend to keep up to date with changes in relevant UK legislation and OFT Guidance?

7. Have you had contact with your Local Authority Trading Standards Service?

Yes No

If yes please describe the nature of your contact/relationship with your Local Authority Trading Standards Service.

8. Have you been, are you currently, or do you intend to be, a member of any relevant trade associations or other relevant organisations?

Yes No

If yes please give details of your memberships

9. Please indicate which of the following means of advertising/marketing, directed at consumers, you intend to undertake

Please tick all the appropriate boxes

Advertising

National broadsheet newspaper

National tabloid newspaper

National magazine/periodical

Local/regional newspaper

Television

Radio

Teletext

Internet

Brochures/leaflets

Billboards

Other (please specify)

Marketing

Direct mail (mail-shots and leaflet distribution)

Emails/SMS text messages

Telephone cold calling

Canvassing at home or off business premises

Canvassing in store

Other (please describe)

Section 2: Business practices and procedures (all applicants)

10. Will you have a documented compliance strategy or any other controls in place to ensure compliance of your business with the Consumer Credit Act 1974 and associated Regulations, other relevant consumer protection legislation and OFT Guidance?

Yes No

If yes, please provide brief details of content and/or detail of operational controls. You should also ensure that documents are available for inspection.

11. Please describe briefly how the compliance strategy operates or will operate within your organisation

12. Please supply details of the monitoring processes you have, or will put in place, to ensure compliance with relevant UK legislation and/or OFT Guidance:

13. Will any responsibility for compliance be outsourced to third parties? e.g. periodic compliance reviews undertaken by external law firms.

Yes No

If yes, please provide details of to whom and their relevant qualifications or accreditation?

Disciplinary procedures

14. What disciplinary or other action will be taken if your employees breach company procedures on compliance with relevant UK legislation and/or OFT Guidance?

15. Will written records be kept where disciplinary procedures have been implemented?

Yes No

Complaints handling

Under the Consumer Credit Act 2006, the Financial Ombudsman Service (FOS) set detailed rules for complaints handling. The rules set in-house complaints-handling procedures that all businesses with a standard consumer credit licence have to follow by law.

The rules largely reflect common sense and good business practice. In simple terms, they require consumer credit licence holders to have effective and clear procedures for dealing with any complaints fairly and reasonably. Businesses must publish a summary of their complaints procedure and the procedure must take into account, amongst other things:

- 1) the time limits for dealing with complaints; and
- 2) the consumer's ultimate right to refer any unresolved dispute to the FOS.

For more information see the FOS website

www.financial-ombudsman.org.uk

www.financial-ombudsman.org.uk/publications/technical_notes/QG6.pdf

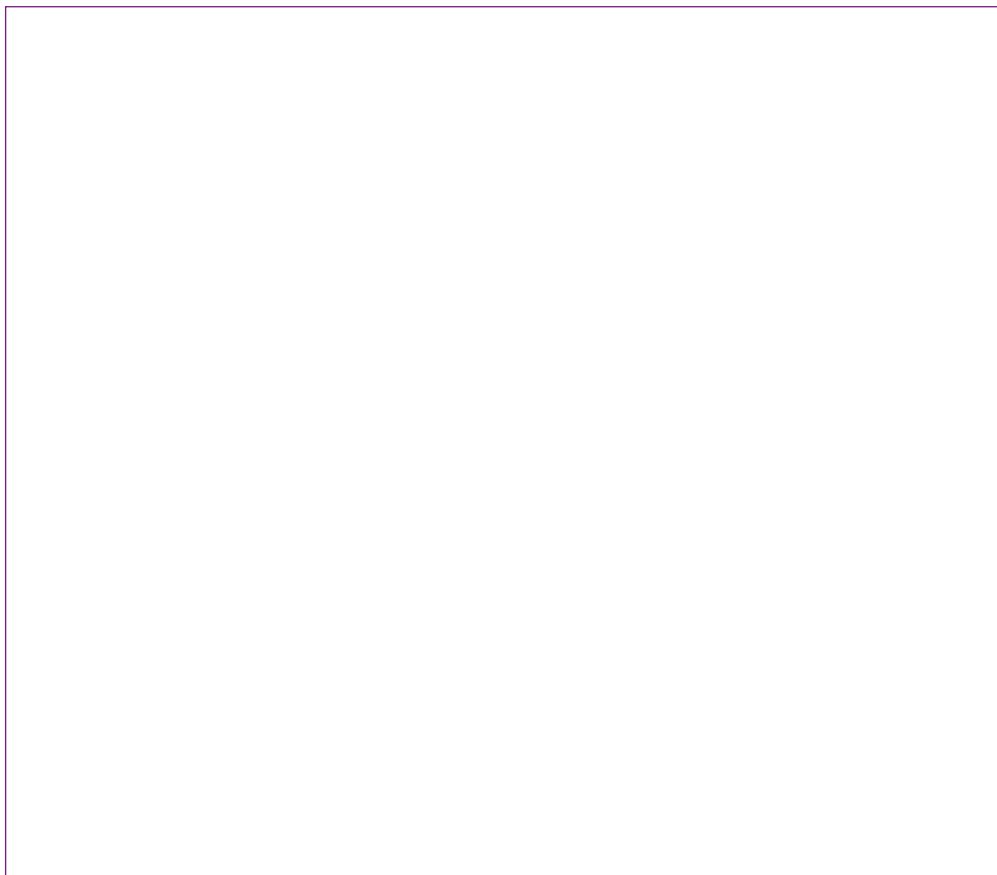
www.financial-ombudsman.org.uk/publications/pdf/guide_complaints_handlers.pdf

- 16.** Please summarise the systems you will have in place to ensure the appropriate handling of debtor complaints and confirm that your complaints handling conforms to the requirements of the FOS rules.

- 17.** How will employees be trained to comply with your complaints handling procedures?



- 18.** Describe the monitoring processes that will be in place to ensure that your employees comply with your complaints handling procedures:



- 19.** Will you keep records of complaints?
Yes No
- 20.** Will you have a dedicated unit for dealing with debtor complaints?
Yes No
- 21.** Will you have a dedicated unit/person for dealing with third party consumer representatives?
Yes No
- 22.** Will you have written complaints handling procedures in place?
Yes No

Overseas traders

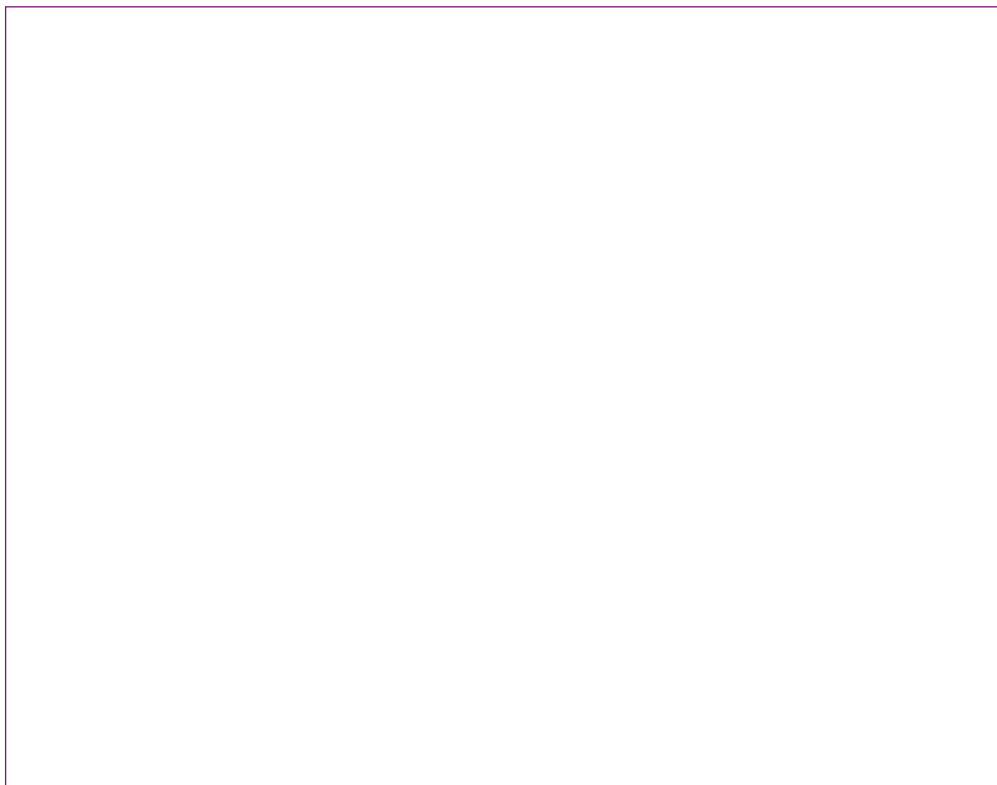
- 23.** Please summarise how you intend to respond to complaints received from UK debtors?

Data protection

24. What training will your staff receive on the requirements of the Data Protection Act 1998?



25. What policies and procedures will you have in place to ensure that you meet the requirements of the Data Protection Act 1998?



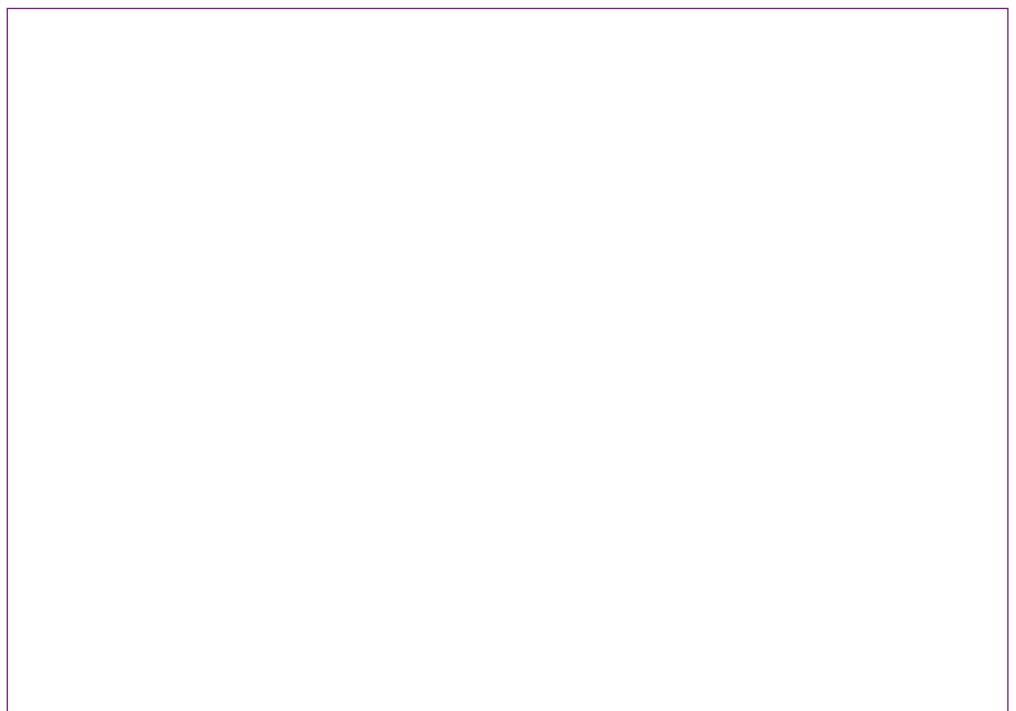
Contracts

26. How will you seek to ensure that your consumer contracts comply with all applicable relevant consumer protection legislation – for example, the Consumer Credit Act 1974 and the Unfair Terms in Consumer Contracts Regulations 1999?



Advertising

27. How will you seek to ensure that your advertising does not breach relevant consumer protection legislation?



Business with several licensable activities (if applicable)

28. Will you have written procedures for informing consumers of the association/relationship between the different constituent elements of the business? e.g. subsidiaries which are part of the same corporate group

Yes No

If so, please summarise these procedures.

Monitoring arrangements

29. Will you have a system for recording debtor telephone calls?

Yes No

30. Will you have any compliance procedures manual or desk instructions not already mentioned in a previous section?

Yes No

If yes, please give details

- 31.** Will you carry out, or will you be subject to via membership of a trade association, any spot checks or random or other monitoring, eg mystery shopping exercises?

Yes No

If yes, please describe the type and frequency of this monitoring.

- 32.** Will you have any other monitoring systems that you have not mentioned here or in previous sections?

Yes No

If yes, please describe.

Section 3: Licence category specific (answer all applicable)

Debt collection

In December 2003 the OFT issued Debt Collection Guidance on how to deal fairly with debtors and the collection of debt once an account is in default. You can find this guidance at:

www.offt.gov.uk/advice_and_resources/resource_base/legal/cca/debt-collection

The guidance sets out the types of behaviour that the OFT considers to be unfair and which could call into question fitness to hold a licence. Examples of the types of behaviour covered include:

- failing to investigate or provide proper details/records when a debt is queried or disputed
- failing to deal with appointed third parties such as Citizens Advice Bureaux or independent advice centres
- pursuing third parties for payment when they are not liable
- falsely implying or claiming authority – such as claiming to be working on court authority
- contacting debtors at unreasonable times and/or intervals
- claiming a right of entry when no court order has been obtained
- misleading debtors by the use of official-looking documents such as letters made to resemble court claims.

If you are applying for a licence to cover debt collection please answer the following questions.

- 33.** Please describe the procedures you will have in place to ensure compliance with the OFT Debt Collection Guidance:

34. Will you have written debt collection procedures?

Yes No

35. Please summarise your procedures for deciding upon and carrying out debt collection visits:

36. What will be the main contact methods to be used by your company when collecting debts?

37. Where contact will be by telephone, will collectors use a call script?

Yes No

If the answer is "yes" please ensure a copy of the script is available for inspection

38. Will you have written procedures on debt collection fees and charges?

Yes No

39. Please describe your procedures for, and typical use of, standard debt collection demand letters?

40. Please describe your procedures for dealing with disputed debts? Please explain any policy for accepting payments from consumers who are disputing liability for a debt

41. Do you have systems in place to ensure that you do not collect statute barred debt?

Yes No

If yes, please describe.

Debt purchasing

42. Please describe your policy and/or procedures for ensuring that copy agreements (true copies under the Consumer Credit Act 1974) are made available to consumers upon request:

43. Will you carry out checks on the accuracy of client data details that you have purchased?

Yes No

If yes, please describe the checks

44. Will data integrity checks be carried out in house?

Yes No

If not, please describe who will carry them out and their relevant qualifications or accreditation?

45. Will you have a process in place to ensure that debtors are updated on the status of debt collection activity following purchase of debt?

Yes No

If yes, please describe the process

46. Will you have a process in place for checking whether the debtor has third party representation and ensuring that such representatives are not bypassed?

Yes No

If yes, please describe the process

Tracing activities

47. Will any tracing activities be outsourced?

Yes No

If yes, please describe to whom and their relevant experience and qualifications/accreditation (if any)

48. Please describe the nature of any in-house tracing activities. For example, do you use automated, telephone or field tracing, or a combination?

- 49.** Please describe the policies and procedures which you will have in place to ensure that your tracing activities, and those of any external agents if applicable, meet the requirements of the Data Protection Act 1998.

Enforcement agents (Bailiffs, Messengers at Arms and Sheriff Officers)

- 50.** Please estimate what percentage of debts you collect are consumer credit related debts:

%

- 51.** Do, or will, you or any of your employees have a qualification as an Enforcement Agent (e.g. a general bailiff certificate)?

Yes No

- 52.** Will you have written procedures on the application of statutory fee scales?

Yes No

- 53.** Will you have written procedures explaining Enforcement Agents' legal powers to enter premises and the rights of consumers?

Yes No

- 54.** Will you have written procedures for recording details of Enforcement Agents' visits to debtors' homes?

Yes No

- 55.** What monitoring processes will you have in place to ensure compliance with relevant UK legislation, the National Standards for Enforcement Agents (Scottish firms please refer to the Code of Conduct for the Society of Messengers at Arms and Sheriff Officers), and OFT Guidance?

- 56.** What disciplinary or other action will be taken if employees breach company procedures on compliance with relevant UK legislation, the National Standards for Enforcement Agents (Scottish firms please refer to the Code of Conduct for the Society of Messengers at Arms and Sheriff Officers) or OFT Guidance:

Commercial debt adjusting and / or debt counselling

In December 2001 the OFT produced guidance for those involved in offering debt management services – The Debt Management Guidance. The guidance sets out minimum standards for debt management in the marketing of services, pre-contract contact, the provision of pre-contract information, contract terms, advice and the nature of the debt management service provided.

This guidance can be found at: www.offt.gov.uk/advice_and_resources/publications/guidance/consumer_credit_act/oft366

The debt management services covered by this guidance consist of all or any of the following when provided to debtors who are consumers (i.e., those acting for purposes outside their business) or individuals under consumer credit agreements:

- advice on how to restructure debts, how to alter debt repayments or how to achieve early resettlement of debts;
- contacting creditors in order to make any of the above arrangements (whether that contact amounts to 'negotiation' or not);
- providing a facility for the debtor to make a single repayment which is then distributed on his behalf to his creditors; and
- reviews of the debtors' financial circumstances and/or payments.

If you are applying for licence categories for debt adjusting and debt counselling, please answer the following questions:

- 57.** Please describe any monitoring procedures you will have in place to ensure compliance with the OFT Debt Management Guidance:

58. Will you keep a record of the number of debt management plans that succeed/fail?

Yes No

59. Please describe the processes you will use to assess a debtor's ability to repay.

60. What proportion of payments will be kept as fees? Please give details of any upfront 'set up fees' and the basis on which they will be calculated, together with any monthly management fees that will be charged.

- 61.** Will you have systems in place to ensure that any interest accrued on this account is accrued to the debtor's benefit?

Yes No

If yes, please describe

- 62.** Are all customer accounts subject to regular review?

Yes No

If so, please provide brief details

63. Please describe the process for distributing money to debtors' creditors.

IVA provision (scotland trust deeds and protected trust deeds)

64. Will you employ any in-house insolvency practitioners?

Yes No

65. If you have a link with an insolvency provider, will the insolvency practitioners adhere to the IVA Protocol* for Straightforward Consumer IVAs and the Standard Conditions for IVAs as agreed at the IVA forum?

Yes No

(* For more information on the IVA Protocol, visit the Insolvency Service web-site at www.insolvency.gov.uk)

66. Will you use any external insolvency practitioners?

Yes No

If yes, please describe to whom you will be outsourcing and their relevant qualifications or accreditation?

67. What procedures will be in place to ensure that IVA proposals are only put forward when they are suitable for, and in the best interest of, the debtor concerned?

68. Will refunds of any up-front fees be given if IVAs are rejected?

Yes No

Commercial credit repair

69. Where contact will be by telephone, will collectors use a call script?

Yes No

If the answer is "yes", please ensure a copy of the script is available for inspection

70. What procedures will you have in place to monitor adherence to the script and/or to ensure that no misleading statements are made and/or debtors are not themselves encouraged or induced to make misleading representations?

- 71.** What procedures will you have in place to ensure that no misleading statements are made on your website or in any advertising and marketing materials?

- 72.** Will refunds of any up-front fees be given where you do not or can not do anything to improve a debtor's credit report?

Yes No

Section 4: Supporting documents (all applicants)

Please indicate which of the following supporting documents will be available for inspection if required.

Documents

Training certificates

Compliance strategy or plan

Supporting documents on:

• ensuring compliance

• compliance training

Compliance manual or monitoring programme

Complaints procedures relating to:

• dedicated complaints handling unit

• dedicated unit/person for third party representatives

• written complaints handling procedures

• training on complaints handling

• monitoring of complaints handling

Debt collection procedures

Telephone call script(s)

Procedures/scripts for debt collection visits

Procedure on debt collection fees and charges

Standard demand letters for debt collection

Monitoring processes on debt collection

Enforcement Agent certificate(s)

Procedure on statutory fee scales for Enforcement Agents

Procedure on Enforcement Agents' powers/rights of the debtor

Procedure for recording Enforcement Agents' visits to debtors' homes	<input type="checkbox"/>
Evidence of obtaining copy credit agreements for debt purchase	<input type="checkbox"/>
Policy for ensuring practices and procedures (including tracing activities) are compliant with the requirements of the Data Protection Act 1998	<input type="checkbox"/>
Insolvency Practitioner accreditation	<input type="checkbox"/>
Business model	<input type="checkbox"/>
Sample letterhead/email	<input type="checkbox"/>
Procedures manual/desk instructions	<input type="checkbox"/>

Part 3 – Declaration (all applicants)

I understand that:

- It is an offence to knowingly or recklessly give any false or misleading information to the Office of Fair Trading.
- If I give false or misleading information:
 - My licence may be refused
 - Any licence that is issued may be revoked at a later date
 - I might be prosecuted.
- I am responsible for all of the information that I have given on this form, including information about other people.
- It is an offence to carry out any business that needs a licence under the Consumer Credit Act 1974 before a licence is issued.
- If my application is granted, the Office of Fair Trading may review the organisation's fitness to hold a consumer credit licence if new information comes to light which calls the organisation's fitness into question.

I confirm that:

- I certify that the particulars given in this form are, to the best of my knowledge, correct
- I have answered all relevant questions and have included all relevant details,
- I will provide any further information that the Office of Fair Trading requests.

Name

Signature

Date

What to do next:

1. Check that you have filled in the form correctly and answered all relevant questions.
2. Upload the form with your online application.

Or

Email the form to ccl@oft.gsi.gov.uk or post the form to us at:

Consumer Credit Licensing
PO Box 62691
London
EC4P 4UW