

# Consumer Credit Licensing

## Credit Risk Profile – OFT Form CRP 1

For more information go to [www.offt.gov.uk](http://www.offt.gov.uk)

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Please read these guidance notes carefully before completing the form.

### What is the purpose of this form?

The Credit Risk Profile form is designed to assist the Office of Fair Trading in considering the skills, knowledge, experience and business controls of an applicant or licensee in determining whether it is competent to carry out regulated credit activities.

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 consider your application.

### Who should fill in this form?

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

**A – Consumer credit**

**C – Credit brokerage**

**G – Debt Administration**

who have also answered “yes” to any of the questions relating to secured, sub-prime or at home lending or broking; or “yes” to the questions relating to secured or sub-prime debt administration,

and for all applicants for the following category

**I – Credit reference agency**

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 YOU WILL ACTUALLY REQUIRE.**

See [www.offt.gov.uk](http://www.offt.gov.uk) for further details.

## Contents of the form

The contents of the form are as follows:

- Part 1** Business details
- Part 2** Skills, knowledge and experience
- Part 3** Business practices and procedures
- Part 4** Complaints handling
- Part 5** Lenders only – money laundering
- Part 6** Credit reference agencies
- Part 7** 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.

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

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## 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](mailto: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.

## 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 1 – Business details (all applicants)

- 1.1. Please describe the principal nature of your business. For example will you be a master broker, lender, packager, broker, introducer etc? If you intend to carry out a range of functions, or also have a number of different aspects of your business please give a brief outline of each of them.

- 1.2. Approximately how many staff do/will you employ (including part time and those on fixed term contracts)?

- 1.3.** Please indicate which of the following consumer credit activities you intend to undertake and the estimated percentage of turnover each provides. Please tick all the appropriate boxes

	Lending Percentage	Broking Percentage	Debt Administration
<b>Secured Loans</b>			
Credit secured on residential property	<input type="checkbox"/> <input type="checkbox"/> %	<input type="checkbox"/> <input type="checkbox"/> %	<input type="checkbox"/>
Credit secured on bills of sale	<input type="checkbox"/> <input type="checkbox"/> %	<input type="checkbox"/> <input type="checkbox"/> %	<input type="checkbox"/>
Bridging loans	<input type="checkbox"/> <input type="checkbox"/> %	<input type="checkbox"/> <input type="checkbox"/> %	<input type="checkbox"/>
Pawn-broking loans	<input type="checkbox"/> <input type="checkbox"/> %	<input type="checkbox"/> <input type="checkbox"/> %	<input type="checkbox"/>

Other (Please specify)

**Unsecured Loans**

Personal loans	<input type="checkbox"/> <input type="checkbox"/> %	<input type="checkbox"/> <input type="checkbox"/> %	<input type="checkbox"/>
Credit cards	<input type="checkbox"/> <input type="checkbox"/> %	<input type="checkbox"/> <input type="checkbox"/> %	<input type="checkbox"/>
Store cards	<input type="checkbox"/> <input type="checkbox"/> %	<input type="checkbox"/> <input type="checkbox"/> %	<input type="checkbox"/>
Guarantor loans	<input type="checkbox"/> <input type="checkbox"/> %	<input type="checkbox"/> <input type="checkbox"/> %	<input type="checkbox"/>
Home-collected credit	<input type="checkbox"/> <input type="checkbox"/> %	<input type="checkbox"/> <input type="checkbox"/> %	<input type="checkbox"/>
Hire purchase or conditional sale agreements	<input type="checkbox"/> <input type="checkbox"/> %	<input type="checkbox"/> <input type="checkbox"/> %	<input type="checkbox"/>

Other (Please specify)

1.4. Will credit be promoted (i.e. offered) for the purposes of debt consolidation?

Yes  No

1.5. Will you be offering Payment Protection Insurance (PPI) or credit to finance PPI?

Yes  No

1.6. 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)

**1.7.** Please indicate whether you intend to charge your customers any fee for advice or for an application for credit

No fee

As part of the application procedure

On completion of the loan advance

By including it as an addition to any loan advanced

By another method (please provide details)

**1.8.** What percentage of your business do you anticipate being generated by your own advertising  %

**1.9. Will you receive referrals or package business from any of the following:**

Please tick all the appropriate boxes

	Yes	No	Percentage of business received
Lending firms	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/> %
Debt administration firms	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/> %
Credit Brokers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/> %
Others (please specify)			<input type="text"/> %
<div style="border: 1px solid black; height: 100px; width: 100%;"></div>			

**1.10. Will you, in the course of business, refer customers to any of the following**

Please tick all the appropriate boxes

	Yes	No	Percentage of business received
Lending firms	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/> %
Debt administration firms	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/> %
Credit Brokers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/> %
Others (please specify)			<input type="text"/> %
<div style="border: 1px solid black; height: 100px; width: 100%;"></div>			

**1.11. Will loans be concluded electronically?**

Yes  No

**Part 2 – Skills, knowledge and experience** (all applicants)

- 2.1.** 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 you may have.

- 2.2.** 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.

**2.3.** 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.

**2.4.** Have you ever 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 these memberships

**Part 3 – Business practices and procedures** (all applicants)

- 3.1. 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 relevant OFT Guidance?

Yes  No

If yes please provide brief details of content and/or detail of operational controls

**3.2.** Please summarise all relevant recruitment, training, and disciplinary policies and procedures you will have in place:

- 3.3.** Please describe any procedures you do/will have in place for monitoring the adherence of staff to compliance policies and procedures.

## Contracts

- 3.4.** How will you seek to ensure that your consumer contracts comply with all relevant consumer protection legislation including the Consumer Credit Act 1974 and the Unfair Terms in Consumer Contracts Regulations 1999?



## Advertising

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



## Part 4 – 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](http://www.financial-ombudsman.org.uk)

[www.financial-ombudsman.org.uk/publications/technical\\_notes/QG6.pdf](http://www.financial-ombudsman.org.uk/publications/technical_notes/QG6.pdf)

[www.financial-ombudsman.org.uk/publications/pdf/guide\\_complaints\\_handlers.pdf](http://www.financial-ombudsman.org.uk/publications/pdf/guide_complaints_handlers.pdf)

- 4.1.** Please summarise the systems you will have in place to ensure that your complaints handling conforms to the FOS rules.

## Part 5 – Lenders only

### Money Laundering Regulations 2007

All Consumer Credit Financial Institutions (CCFIs) must comply with the requirements of the Money Laundering Regulations 2007. A CCFI is a consumer credit lender which is not authorised by the Financial Services Authority (FSA).

CCFIs are required to put in place anti-money laundering controls in order to anticipate and prevent the business being used by criminals to launder money and fund terrorism.

They must:

- confirm customer's identity before entering into a business relationship or occasional transaction with them and obtain information on the purpose or nature of the business relationship
- conduct ongoing monitoring of the business relationship as appropriate to ensure that transactions are consistent with your knowledge of the customer and the customer's business
- keep records obtained in establishing customers' identity and of business relationships for five years
- put in place checks, controls and procedures in order to anticipate and prevent money laundering or terrorist financing
- train staff in those procedures and in the law relating to money laundering and terrorist financing
- appoint a nominated officer or Money Laundering Reporting Officer (MLRO). The MLRO should receive and consider internal disclosures of suspicious activity from within the business and make suspicious activity reports to the Serious Organised Crime Agency.

If you are a sole trader with no employees, you do not have to appoint a MLRO but you have to carry out the MLRO activity.

These requirements (or obligations) should be carried out on a risk sensitive basis. This means that you should identify the risks or likelihood that your business may be used to launder money or fund terrorism. The extent that you implement these controls may be enhanced where you have identified increased risks.

- 5.1.** Please give us the name and contact details of your intended Money Laundering Reporting Officer (if known and if not a sole trader)

- 5.2.** Please provide details of the controls you will have in place to ensure compliance with your duties under the Money Laundering Regulations 2007:

## Part 6 – Credit reference agencies only

The Consumer Credit (Credit Reference Agency) Regulations 2000 (“the 2000 Regulations”), sections 158 to 160 of the Consumer Credit Act 1974 (“the 1974 Act”) and section 9(3) of the Data Protection Act 1998 (“the 1998 Act”) relate to the disclosure to consumers of information about their financial standing held by credit reference agencies and the correction of such information where it is found to be wrong or incomplete.

Sections 158(1) and 160(3) of the 1974 Act (as amended by section 62 of the 1998 Act) require credit reference agencies to give specified information to partnerships and other unincorporated bodies of persons (not consisting entirely of bodies corporate) on request, and the 2000 Regulations prescribe a period of seven working days during which such requests must be complied with. Sections 158(2) and 160(3) of the 1974 Act (as amended) require accompanying statements of rights under the 1974 Act to be given and the 2000 Regulations prescribe the form of such statements.

Section 9(3) of the 1998 Act requires credit reference agencies to give individuals statements of their rights under section 159 of the 1974 Act (as amended by section 62 of the 1998 Act) when complying with requests to disclose information. The 2000 Regulations prescribe the form of such statements (regulation 4(1) and Schedule 1).

Finally, the 2000 Regulations prescribe the manner in which applications under section 159(5) of the 1974 Act (as amended by section 62 of the 1998 Act) must be made. Two sorts of applications are made under this section: applications by individuals and other consumers to the Information Commissioner or the OFT (“the relevant authority”) for an order where a credit reference agency has not given notice that it intends to include a notice of correction drawn up by the consumer on its files; and applications by credit reference agencies to the relevant authority where they think it would be improper to include such a notice of correction on their files.

All those who wish to be licensed as a credit reference agency must be able to comply with the above requirements.

- 6.1.** Please provide details of the controls you will have in place to ensure compliance with credit reference agency requirements

## Part 7 – Declaration

### 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](mailto:ccl@oft.gsi.gov.uk) or post the form to us at:

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PO Box 62691  
London  
EC4P 4UW