
Specified descriptions of business

General Notice No. 72

28 February 2008

The Office of Fair Trading (OFT) hereby gives general notice pursuant to section 24A(5)(a) of the Consumer Credit Act 1974 (the Act) that the following descriptions of business shall be specified for the purposes of section 24A(1)(b) from 06 April 2008:

- Non-commercial debt adjusting
- Non-commercial debt-counselling

And that the following description of business shall be specified for the purposes of section 24A(1)(b) from 1 October 2008:

- Non-commercial credit information services (including credit repair services)
- Credit information services (excluding credit repair)

Definitions:

'Non-commercial debt adjusting' consists of the carrying out of debt adjusting as defined by section 145(5) of the Act, where neither the applicant nor any associate of the applicant, will charge any fee in the course of a consumer credit business or ancillary credit business carried on by him.

'Non-commercial debt-counselling' consists of the carrying out of debt counselling as defined by section 145(6) of the Act, where neither the applicant nor any associate of the applicant will charge any fee in the course of a consumer credit business or ancillary credit business carried on by him.

'Non-commercial credit information services (including credit repair services)' consists of providing credit information services as defined by section 145(7B), (7C) and (7D) of the Act, where neither the applicant nor any associate of the applicant will charge any fee in the course of a consumer credit business or ancillary credit business carried on by him.

'Credit information services (excluding credit repair)' consists of providing credit information services as defined by section 145 (7B) and (7D) of the Act, where the applicant will take only steps with a view to the outcomes mentioned in section 145 (7C) (a) or (b) of the Act.

'Credit repair' consists of providing credit information services as defined by section 145 (7B) and (7D) of the Act, where the applicant will take steps with a view to either of the outcomes mentioned in section 145(7C)(c) or (d) of the Act.

'associate' has the meaning given by s.184 of the Act.

Explanatory notes

The Consumer Credit Act 2006 allows for the OFT to take a more targeted approach to consumer credit licensing under which –

(a) applicants are able either to apply for a licence to carry on a category or categories of licensable business under the Act as previously, or to apply for a licence only to carry on limited activities within a particular licensable category or categories of business; and

(b) in the second case, the OFT should only have to consider fitness, including credit competence, in relation to those limited activities and licences would be issued to only cover those activities for which this consideration has proved satisfactory.

This recognises that a person carrying on a consumer credit business, consumer hire business or ancillary credit business may only intend to engage in certain lower risk types of credit activity within that broad category of business, for example dealing only with certain types of customers or in certain market products/sectors within that broad category of business and/or only doing so on a non-commercial basis.