
Funding of the consumer credit jurisdiction

Including contributions imposed on applicants for a standard consumer credit licence or renewal of such a licence

General Notice No. 74

28 February 2008

Total sum to be raised

1. The Office of Fair Trading (OFT) hereby gives general notice pursuant to section 234A(4) of the Financial Services and Markets Act 2000 (FSMA) of a determination made by the Financial Ombudsman Service Limited (FOS) with the approval of the Financial Services Authority (FSA). The Determination was made pursuant to section 234A(1) of FSMA and determines that the sum of £2,475,000 is to be raised by way of contributions for the period ending 31 March 2009 for the purpose of funding the operation of the ombudsman scheme so far as it relates to the consumer credit jurisdiction. Such sum includes collection costs of £75,000 but excludes any value added tax.

Contributions

2. Further, for the purpose of raising the sum of £2,475,000 referred to in paragraph 1 above and subject to the exceptions referred to in paragraph 4 below, the OFT, by general notice pursuant to section 234A(5) of FSMA herein imposes requirements as described in paragraph 3 on persons who make applications for a standard consumer credit licence or for the renewal of a standard consumer credit licence ('applicant' or 'applicants').

Requirements

3. Unless applicants fall within any of the exceptions set out in paragraph 4, below, they are required to pay a contribution of £150 ('the contribution') to the OFT. The contribution must accompany the application to the OFT for a standard consumer credit licence or for the renewal of a standard consumer credit licence ('the application').

Exceptions from requirements

4. There will be no requirement to pay the contribution:
 - a) where the application relates only to the type of business of debt adjusting and/or debt counselling and neither the applicant nor any associate¹ of the applicant will charge any fee in the course of a consumer credit business or ancillary credit business carried on by him
 - b) where the applicant is a society registered under the Friendly Societies Act 1974 pursuant to a special authority issued by the Treasury under section 7 of that Act
 - c) where the applicant is a society registered under the Loan Societies Act 1840
 - d) where the applicant is a credit union registered as such under the Industrial and Provident Societies Act 1965, in accordance with the Credit Unions Act 1979 or the Industrial and Provident Societies Act (Northern Ireland) 1969
 - e) where, as a person directly authorised by the FSA, the applicant is subject to the compulsory jurisdiction of the ombudsman scheme as administered by the FOS, defined in section 226 of FSMA.

Refunds of the contribution paid

5. A refund (in full or in part) of the contribution paid will be made in any of the following circumstances:
 - a) where there has been an overpayment of the contribution, in which case the amount overpaid will be refunded

¹ 'Associate' has the meaning given by s.184 of the Consumer Credit Act 1974.

- b) where payment of the contribution is made because the OFT gave incorrect information, in which case the full contribution paid will be refunded
- c) where the application is withdrawn or refused for whatever reason, in which case the full contribution paid will be refunded
- d) where the application or the applicant falls into paragraph 4 and so there is no requirement to pay the contribution but payment has mistakenly been made, in which case the full contribution paid will be refunded and
- e) where at the time of application the applicant is not subject to the compulsory jurisdiction of the ombudsman scheme as administered by FOS but becomes subject to it before, or on the day, its consumer credit licence is issued, in which case the full contribution paid will be refunded.

6. This notice has effect from 6 April 2008. For standard consumer credit licence applications, the charges will apply to all such applications received on or after 6 April 2008. For renewal applications of a standard consumer credit licence, the charges set out above will apply to all licences which expire on or after 5 April 2008 and which are due for renewal on or after 6 April 2008.