

Voluntary Application for Imposition of Requirement

WONGA GROUP LIMITED

CC1-IP-039350

To: The Financial Conduct Authority ("the FCA")

FAO: Philip Salter

Wonga Group Limited ("Wonga"), as an authorised person with a permission granted under Part 4A of the Financial Services and Markets Act 2000 ("the Act"), hereby applies to the FCA for the imposition of the requirement set out in the Schedule below:

SCHEDULE Part A

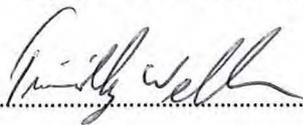
1. General

- 1.1. In 2011, in response to formal Notices requiring the disclosure of certain information, Wonga provided the OFT with documents some of which revealed that between approximately October 2008 and November 2010 Wonga, and certain other companies within its group, employed unfair debt collection practices. Communications were issued to customers under the names "Chainey, D'Amato & Shannon" and "Barker and Lowe Legal Recoveries", giving the misleading impression that the customers' outstanding debts had been passed on to a law firm (or other third party) with the threat of adverse consequences for the customers if the debts were not repaid quickly. In fact, neither "Chainey D'Amato & Shannon" nor "Barker & Lowe Legal Recoveries" existed as legal entities. This practice was adopted with a view to maximising Wonga's collections by unfairly increasing pressure on customers. Charges were added to customer accounts before and/or after these letters were sent out.
- 1.2. In April 2014, Wonga reported to the FCA that it had discovered certain unintentional system errors. These errors relate to the calculation of customers' balances where the inputs to these calculations such as fees, balance adjustments or the timing used to calculate interest were not consistently applied.
- 1.3. As set out in Section 2 below, Wonga is required to (a) conduct a consumer redress scheme overseen by a skilled person appointed by the FCA under s166 of the Act as a result of the circumstances set out in paragraph 1.1. and (b) review the relevant systems to identify the extent to which customers have been affected and undertake a consumer redress scheme accordingly with the aim of establishing who may have suffered detriment and then paying such redress as is appropriate as a result of the circumstances set out in paragraph 1.2.

2. Requirement

- 2.1. Wonga is required to conduct a consumer redress scheme whereby it determines whether the unfair debt collection practices described in paragraph 1.1 above caused detriment, loss or damage to relevant customers (whether its own customers or those of its group companies).
- 2.2. Wonga is required to conduct a consumer redress scheme whereby it determines whether the unintentional systems errors described in paragraph 1.2 above caused detriment, loss or damage to relevant customers (whether its own customers or those of its group companies).
- 2.3. To the extent that Wonga establishes that customers have suffered detriment, loss or damage through the exercise described in paragraphs 2.1 and 2.2 above Wonga must then determine what the redress should be and pay the redress to affected customers.

2.4. The consumer redress scheme under paragraph 2.1 above will be overseen by a skilled person appointed by the FCA under s166 of the Act.



.....

Tim Weller for and on behalf of Wonga

Date: 26 June 2014