

Beauforce Corporation Limited ("Beauforce") has referred this Decision Notice to the Upper Tribunal ("the Tribunal") where Beauforce and the FCA will each present their cases. The Tribunal will determine what, if any, is the appropriate action for the FCA to take, and will remit the matter to the FCA with such directions as the Tribunal considers appropriate for giving effect to its determination. The Tribunal's decision will be made public on its website. Accordingly, the proposed action outlined in this Decision Notice will have no effect pending the determination of the case by the Tribunal.



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DECISION NOTICE

To: Beauforce Corporation Limited

FRN: 775878

Dated: 2 May 2025

ACTION

1. For the reasons given in this Decision Notice and pursuant to section 55J of the Financial Services and Markets Act (the Act), the Authority has decided to cancel Beauforce Corporation Limited's Part 4A permission.

SUMMARY OF REASONS

2. On the basis of the facts and matters set out in this Decision Notice, the Authority considers that Beauforce is failing to satisfy the Appropriate Resources Threshold Condition. In particular, the Authority considers that Beauforce does not have appropriate non-financial resources, in terms of the quality of its human resources, in relation to the regulated activities that it carries on due to Mr Duckett's inability to act in his capacity as the sole approved person at Beauforce as a result of his disqualification from acting as a company director.
3. The Authority considers that it is appropriate to cancel Beauforce's Part 4A permission in the terms set out at paragraph 1 in order to advance its consumer protection and integrity objectives (sections 1C and 1D of the Act, respectively).

DEFINITIONS

4. The definitions below are used in this Decision Notice (and in the Annex):

"the Act" means the Financial Services and Markets Act 2000;

“the Appropriate Resources Threshold Condition” means the threshold condition set out in paragraph 2D of Schedule 6 to the Act;

“the Authority” means the Financial Conduct Authority;

“Beauforce” means Beauforce Corporation Limited;

“Beauforce’s Part 4A permission” means the permission granted by the Authority to Beauforce pursuant to Part 4A of the Act;

“COND” means the Threshold Conditions part of the Handbook;

“the Court” means the High Court of Justice, Business and Property Courts in Wales;

“Mr Duckett” means Howard Roland Duckett;

“Mr Duckett’s Decision Notice” means the Decision Notice given to Mr Duckett dated 2 May 2025;

“EG” means the Authority’s Enforcement Guide;

“the Handbook” means the Authority’s Handbook of rules and guidance;

“the Principles” means the Authority’s Principles for Businesses;

“the RDC” means the Regulatory Decisions Committee of the Authority (see further under Procedural Matters below);

“the Threshold Conditions” means the threshold conditions set out in Schedule 6 to the Act;

“the Tribunal” means the Upper Tribunal (Tax and Chancery Chamber); and

“the Warning Notice” means the Warning Notice issued by the Authority to Beauforce dated 13 November 2024.

RELEVANT STATUTORY PROVISIONS

5. The statutory and regulatory provisions relevant to this Decision Notice are set out in Annex A.

FACTS AND MATTERS

Beauforce and Mr Duckett

6. Beauforce was authorised by the Authority on 20 December 2017 to carry on consumer credit regulated activities relating to debt-collecting, debt adjusting, debt-counselling, holding client money and exercising/having the right to exercise lender's rights and duties under a regulated credit agreement (excluding high-cost short-term credit, bill of sale agreement, and home collected credit agreement).
7. From 20 December 2017 to 8 December 2019, Mr Duckett was approved by the Authority to perform the CF1 (Director) and CF10 (Compliance Oversight) controlled functions at Beauforce. Since 9 December 2019, Mr Duckett has been approved by the Authority to perform the SMF3 (Executive Director) and SMF16 (Compliance Oversight) senior management functions at Beauforce. There are no other approved persons at Beauforce.

Mr Duckett's Director Disqualification

8. On 13 November 2020, pursuant to an order made by the Court, Mr Duckett was disqualified from being a company director for a period of ten years. Mr Duckett was disqualified because he failed, whilst a de facto director of an unrelated company, to ensure that the company concerned maintained adequate books and records. The disqualification took effect on 4 December 2020.
9. In its judgment in the disqualification proceedings, the Court also found that Mr Duckett had repeatedly lied on oath during the proceedings and had attempted to rely on fabricated evidence in his defence, in an attempt to distance himself from the company and to deny that he was a director of the company.
10. Furthermore, Beauforce failed to disclose to the Authority that Mr Duckett had been disqualified as a director, despite Mr Duckett being Beauforce's only approved person at that time and subsequently.

Mr Duckett's Decision Notice

11. In related action, the Authority has also concluded, in connection with the matters set out at paragraphs 8 to 10 above, that Mr Duckett lacks fitness and propriety and has given him a Decision Notice. Mr Duckett's Decision Notice sets out the Authority's decision to prohibit Mr Duckett from performing any function in relation to any regulated activity carried on by an authorised person, exempt person or exempt professional firm and to withdraw his approvals. If Mr Duckett is prohibited and has his approvals withdrawn, Beauforce will not have in place anyone to manage its business or conduct its regulated activities.

Conclusion

12. From the facts and matters described above and having regard to its operational objectives, which include protecting and enhancing the integrity of the UK financial system and protection of consumers, the Authority considers that Beauforce does not have appropriate non-financial resources, in terms of the quality of its human resources, in relation to the regulated activities that it carries on due to Mr Duckett's inability to act in his capacity as the sole approved person at Beauforce as a result of his disqualification from acting as a company director. The Authority therefore considers Beauforce is failing to satisfy the Appropriate Resources Threshold Condition.
13. Accordingly, the Authority has decided to cancel Beauforce's Part 4A permission.

REPRESENTATIONS

14. Annex B contains a summary of the key representations made by Mr Duckett on behalf of Beauforce in response to the Warning Notice and how they have been dealt with. In making the decision which gave rise to the obligation to give this Decision Notice, the Authority has taken into account all of the representations made by Mr Duckett on behalf of Beauforce whether or not set out in Annex B. In addition, a summary of the key representations made by Mr Duckett in respect of the Authority's proposed action against him, and how they have been dealt with by the Authority, is set out in Annex B of Mr Duckett's Decision Notice.

PROCEDURAL MATTERS

15. This Decision Notice is given to Beauforce under section 55Z(2) and in accordance with section 388 of the Act.

Decision Maker

16. The decision which gave rise to the obligation to give this Decision Notice was made by the RDC. The RDC is a committee of the Authority which takes certain decisions on behalf of the Authority. The members of the RDC are separate to the Authority staff involved in conducting investigations and recommending action against firms and individuals. Further information about the RDC can be found on the Authority's website:

<https://www.fca.org.uk/about/committees/regulatory-decisions-committee-rdc>

The Tribunal

17. Beauforce has the right to refer the matter to which this Notice relates to the Tribunal. Under paragraph 2(2) of Schedule 3 of the Tribunal Procedure (Upper Tribunal) Rules 2008, Beauforce has 28 days from the date on which this Notice is given to it to refer the matter to the Tribunal. A reference to the Tribunal is made by way of a signed reference notice (Form FTC3) filed with a copy of this Notice. The Tribunal's contact details are: The Upper Tribunal, Tax and Chancery Chamber, Fifth Floor, Rolls Building, Fetter Lane, London EC4A 1NL (tel: 020 7612 9730; email fs@hmcts.gsi.gov.uk). Further information on the Tribunal, including guidance and the relevant forms to complete, can be found on the HM Courts and Tribunal Service website:

<http://www.justice.gov.uk/forms/hmcts/tax-and-chancery-upper-tribunal>.

18. A copy of the reference notice (Form FTC3) must also be sent to the Authority at the same time as filing a reference with the Tribunal. A copy of the reference notice should be sent to Sheena Baldev at the Financial Conduct Authority, 12 Endeavour Square, London, E20 1JN.
19. Once any such referral is determined by the Tribunal and subject to that determination, or if Beauforce chooses not to refer the matter to the Tribunal, the Authority will give Beauforce a final notice about the implementation of the decision to cancel Beauforce's Part 4A permission.

Access to evidence

20. Section 394 of the Act applies to this Decision Notice. In accordance with section 394(1), Beauforce is entitled to have access to:
 - a) the material upon which the Authority has relied in deciding to give Beauforce this Decision Notice; and
 - b) any secondary material which, in the opinion of the Authority, might undermine the decision.

Confidentiality and publicity

21. This Decision Notice may contain confidential information and should not be disclosed to a third party (except for the purpose of obtaining advice on its contents). In accordance with section 391 of the Act, a person to whom this Decision Notice is given or copied may not publish the Notice or any details concerning it unless the Authority has published the Notice or those details.
22. The Authority must publish such information about the matter to which a Decision Notice or a Final Notice relates as it considers appropriate. The persons to whom this Decision Notice is given or copied should therefore be aware that the facts and matters contained in this Decision Notice may be made public.

Authority Contacts

23. For more information concerning this matter generally, Beauforce should contact Sheena Baldev at the Authority (direct line: 020 7066 6760 or by email: sheena.baldev2@fca.org.uk).

Alison Potter
Chair, Regulatory Decisions Committee

ANNEX A

RELEVANT STATUTORY PROVISIONS

1. The Authority's operational objectives, set out in section 1B of the Act, include securing an appropriate degree of protection for consumers (section 1C of the Act) and protecting and enhancing the integrity of the UK financial system (section 1D of the Act).
2. The Authority is authorised by section 55J of the Act to cancel an authorised person's Part 4A permission, where it appears to the Authority that an authorised person is failing, or is likely to fail, to satisfy the Threshold Conditions.
3. Paragraph 1A(2) of Schedule 6 of the Act provides that, for the purpose of Schedule 6 of the Act, the "non-financial resources" of a person include, amongst other things, the human resources that the person has available.
4. The Appropriate Resources Threshold Condition provides, in relation to a person ("A") carrying on, or seeking to carry on regulated activities which do not include a PRA-regulated activity, that:

"(1) The resources of A must be appropriate in relation to the regulated activities that A carries on or seeks to carry on.

[...]

(4) The matters which are relevant in determining whether A has appropriate non-financial resources include-

[...]

(b) whether A's non-financial resources are sufficient to enable A to comply with-

(i) requirements imposed or likely to be imposed on A by the [Authority] in the exercise of its functions; or

(ii) any other requirement in relation to whose contravention the FCA would be the appropriate regulator for the purpose of any provision of Part 14 of [the Act]".

RELEVANT REGULATORY PROVISIONS

5. In exercising its power to cancel a firm's Part 4A permission, the Authority must have regard to regulatory requirements and guidance published in the Handbook and in regulatory guides, such as EG. The main considerations relevant to the action specified above are set out below.

The Threshold Conditions

6. Guidance on the relevant Threshold Condition is set out in COND.

COND 2.4 – Appropriate resources: Paragraph 2D of Schedule 6 to the Act

7. COND 2.4.1AUK reproduces the relevant statutory provisions that the resources of a person concerned must be appropriate in relation to the regulated activities that the person carries on or seeks to carry on, and that the matters which are relevant in determining whether the person has appropriate non-financial resources include

whether that person's non-financial resources are sufficient to enable it to comply with the requirements imposed or likely to be imposed on it by the Authority in the course of the exercise of its functions.

8. COND 2.4.2G(2) provides that the Authority will interpret the term 'appropriate' as meaning sufficient in terms of quantity, quality and availability, and 'resources' as including non-financial resources, an example of which includes human resources.

The Principles for Businesses

9. Principle 11 (Relations with regulators) provides that a firm must deal with its regulators in an open and co-operative way, and must disclose to the Authority appropriately anything relating to the firm of which that regulator would reasonably expect notice.

The Enforcement Guide

10. The Authority's policy in relation to its enforcement powers is set out in EG, certain provisions of which are summarised below.
11. EG 8.1.1(1) provides that the Authority may use its own initiative power to vary or cancel the Part 4A permission of an authorised person under section 55J of the Act, where the person is failing or is likely to fail to satisfy the Threshold Conditions for which the Authority is responsible.
12. EG 8.5.1(1) states that the Authority will consider cancelling a firm's Part 4A permission using its own initiative power contained in section 55J of the Act in circumstances where the Authority has very serious concerns about the firm, or the way its business is or has been conducted.

ANNEX B

REPRESENTATIONS

1. A summary of the key representations made by Mr Duckett in respect of the proposed action against Beauforce, and of the Authority's conclusions in respect of them (in **bold**), is set out below.
2. A summary of the key representations made by Mr Duckett in respect of the Authority's proposed action against him, and how they have been dealt with by the Authority, is set out in Annex B of Mr Duckett's Decision Notice. These include representations relating to certain of the facts and matters described in this Decision Notice.

Cancellation of Beauforce's Part 4A permission

3. At present, Beauforce is servicing about 642 clients on debt management plans. Beauforce is not proposing to sell the debt book to another debt management firm, but Mr Duckett will meet with the current clients of the firm in various groups to explain how they can self-administer their debt management plans. Prior to this Mr Duckett will contact the debt collection companies to ascertain the true balances of Beauforce's customers and conduct a customer reconciliation exercise. However, he considers that most of these plans will fail within 8 months once he and Beauforce cease to be involved with the clients. Aside from Mr Duckett, there are no other individuals at Beauforce who can effectively oversee and administer the debt management plans of the clients. The cancellation of Beauforce's Part 4A permission would also result in the redundancies of its staff who may struggle to find alternative employment due to the local employment conditions.
4. **The Authority notes that the client numbers provided in the regulatory returns submitted to the Authority by Beauforce are different from those reported by Mr Duckett in his representations but, in relation to those remaining clients, the Authority notes that Beauforce's plans for wind down are largely consistent with what the Authority would expect a debt management firm to do when winding down in an orderly fashion.**
5. **Mr Duckett's admission that there are no other individuals or approved persons at Beauforce that are capable of managing or servicing its clients in the event that he is prohibited, provides further support for the Authority's conclusion that Beauforce is failing to meet the Appropriate Resources Threshold Condition and that Beauforce's Part 4A permission should be cancelled.**
6. **The Authority notes the impact that Beauforce's cancellation will have on its staff and customers. However, in the present circumstances, taking into account Beauforce's failure to meet the Threshold Conditions, the Authority considers it is appropriate to cancel Beauforce's Part 4A permission in order to advance the Authority's objectives.**