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NOTICE OF DECISION

To: **Elegant Mortgages Ltd**

FRN: **782819**

Dated: **9 August 2023**

ACTION

1. For the reasons given below, the Authority has decided to cancel Elegant Mortgages Ltd's Part 4A permission. The cancellation takes effect on the date of this Notice of Decision.
2. The effect of the cancellation is that Elegant Mortgages Ltd no longer has permission to carry on any regulated activities.

DEFINITIONS

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

“the Act” means the Financial Services and Markets Act 2000;

“the Authority” means the Financial Conduct Authority;

"DISP" means the Authority's Dispute Resolution: Complaints sourcebook, part of the Handbook;

"EG" means the Enforcement Guide;

"EML" means Elegant Mortgages Ltd;

"EML's Part 4A permission" means the Part 4A permission granted by the Authority to EML;

"FDA" means the Firm Details Attestation which Authority-authorized firms are required to submit to the Authority under SUP 16.10;

"FEES" means the Authority's FEES Manual, part of the Handbook;

FSCS" means the Financial Services Compensation Scheme;

"the Further Notice" means the further notice issued by the Authority to EML dated 12 July 2023;

"the general levy" means the levy a firm must pay to the Authority towards the costs of operating the compulsory jurisdiction of the Financial Ombudsman Service;

"the Handbook" means the Authority's Handbook of rules and guidance;

"the IML levy" means the Illegal Money Lending levy;

"the Notice" means the notice issued by the Authority to EML dated 6 June 2023;

"Part 4A permission" means permission to conduct regulated activities, granted by the Authority under Part 4A of the Act;

"RAG" means regulated activity group as referred to in SUP;

"the Returns" means the CCR002, Complaints and Retail Mediation Activities Returns for the period from 1 August 2021 to 31 January 2023 which were due for submission on 12 September 2022 and 14 March 2023 respectively;

"SFGB Levy" means the Single Financial Guidance Body Levy;

"SUP" means the Supervision Manual, part of the Handbook; and

"the Tribunal" means the Upper Tribunal (Tax and Chancery Chamber).

FACTS AND MATTERS

4. EML was authorised by the Authority on 18 August 2017 and has Part 4A permission to conduct the following regulated activities in relation to insurance distribution, regulated home finance and consumer credit:
 - a) advising on investments (except on pension transfers and pension opt outs);
 - b) advising on regulated mortgage contracts;
 - c) agreeing to carry on a regulated activity;

- d) arranging (bringing out) deals in investments;
 - e) arranging (bringing out) regulated mortgage contracts;
 - f) credit broking;
 - g) debt-counselling;
 - h) making arrangements with a view to regulated mortgage contracts; and
 - i) making arrangements with a view to transactions in investments.
5. EML submitted regulatory returns to the Authority for the periods 1 August 2020 to 31 January 2023 which show that EML has not generated any income from the regulated activities it is permitted to carry on.
6. EML has failed to pay periodic fees and levies owed to the Authority as required under the Handbook under the rules set out in FEES 4.2.1R, 4.3.1R, 5.7.1R, 6.7.1R, 6.7.3R, 7A.3.1R and 13.2.1R. In particular, EML has failed to pay:
 - a) an invoice dated 29 September 2021 for periodic regulatory fees and levies of £2,241.31 which had been due for payment by 28 December 2021; and
 - b) an invoice dated 13 September 2022 for periodic regulatory fees and levies of £1,845.31 which had been due for payment by 13 October 2022.
7. SUP 16.3.13R, 16.12.3R, SUP 16.12.4R and SUP 16.12.28AR and (and the further rules specified therein) in Chapter 16 of SUP and 16.12.29CR and DISP 1.10.1R, EML is required to submit the Returns to the Authority by the relevant due date. However, EML has failed to submit the Returns to the Authority.
8. Furthermore, under SUP 16.10.4R, 16.10.4AR and 16.10.14AAR, EML is required to submit the FDA to the Authority by the relevant due date. However, EML has failed to submit the FDA to the Authority.
9. The Authority therefore considers that EML has failed to provide information to the Authority as is required by the Handbook.
10. On 6 June 2023, the Authority gave EML the Notice which stated that:
 - a) it appears to the Authority that EML is carrying on no regulated activity to which its Part 4A permission relates; and
 - b) the Authority may take action to cancel EML's Part 4A permission unless it responds to the Notice in the manner specified in the directions to the Notice.
11. EML failed to respond to the Notice.
12. As a result of the matters specified above, on 12 July 2023, the Authority gave EML the Further Notice which stated that:
 - a) the Authority considered that EML is carrying on no regulated activity to which its Part 4A permission relates; and
 - b) the Authority proposes to cancel EML's Part 4A permission on 9 August 2023 unless EML takes the steps specified in the directions to the Further Notice.
13. EML failed to take the steps specified in the Further Notice.

CANCELLATION OF PART 4A PERMISSION

14. From the facts and matters described above, and having regard to paragraph 1(3) of Schedule 6A to the Act, the Authority considers that EML is carrying on no regulated activity to which its Part 4A permission relates. The Authority has therefore decided to cancel EML's Part 4A permission. The cancellation of EML's Part 4A permission takes effect on the date of this Notice of Decision.
15. The statutory and regulatory provisions relevant to this Notice of Decision are set out in the Annexes.

PROCEDURAL MATTERS

16. This Notice of Decision is given to EML under paragraph 3 of Schedule 6A to the Act (variation or cancellation of Part 4A permission on initiative of FCA: additional power).

The following paragraphs are important.

Annulment of the Authority's decision

17. If EML is aggrieved by the decision to cancel its Part 4A permission as set out in this Notice of Decision, EML may make an application for an annulment of the Authority's decision under paragraph 4 of Schedule 6A to the Act.
18. EML must submit a completed application for an annulment of the Authority's decision to the Authority by **8 August 2024** and in the manner specified by the Authority.

The Tribunal

19. EML does not have a right to refer the decision to give this Notice of Decision to the Tribunal.

Publicity

20. The Authority intends to publish such information about the matter to which this Notice of Decision relates as the Authority considers appropriate. The information may be published in such manner as the Authority considers appropriate.

Authority Contact

21. For more information concerning this matter generally, EML should contact Ogechi Chigbo (direct line: 020 7066 4827).

Anna Couzens
Enforcement and Market Oversight Division