
FINAL NOTICE

C2 MOTOR GROUP LTD

Joyce Green Farm
Joyce Green Lane
Dartford
DA1 5PN
UNITED KINGDOM

ACTION

1. By an application dated 21 February 2022 ("the Application"), C2 Motor Group Ltd ("C2 Motor Group" or "the Applicant") applied under section 55A of the Act for Part 4A permission to carry on the regulated activities of:
 - a. Agreeing to carry on a regulated activity;
 - b. Credit broking;
 - c. Debt adjusting; and
 - d. Debt counselling.
2. The Application is incomplete.
3. For the reasons above, the Authority has refused the Application.

SUMMARY OF REASONS

4. By its Warning Notice the Authority gave notice that it proposed to refuse the

Application and that C2 Motor Group was entitled to make a representation to the Authority about that proposed action.

5. No representations were received by the Authority from C2 Motor Group within the time allowed by the Warning Notice, therefore the default procedures in paragraph 2.3.2 of the Authority's Decision Procedure and Penalties Manual applied, permitting the Authority to treat the matters referred to in its Warning Notice as undisputed and, accordingly, to give a Decision Notice.
6. By that Decision Notice, the Authority decided to refuse the Application. C2 Motor Group had 28 days from the date of the Decision Notice to refer the matter to the Tribunal. No referral was made to the Tribunal.
7. Under section 390(1) of the Act, the Authority, having decided to refuse the Application and there having been no reference of that decision to the Tribunal, must give C2 Motor Group a Final Notice.
8. In the Application, C2 Motor Group failed to disclose 3 of 7 current or previous directorships of its sole director and controller, Mr Rodney Johnson. One of those directorships was of C2 Group Ltd ("C2 Group"), which had its permission cancelled by the Authority in a [Final Notice dated 4 May 2018](#).
9. Mr Johnson falsely answered 'no' to questions in the Individual Controller Form relating to whether he had ever been the director or controller of a company which had had its authorisation revoked, been the subject of any disciplinary or interventional action or been warned that such action might be taken. Mr Johnson was the director and controller of C2 Group when the Authority cancelled its permission.
10. The Authority must therefore determine the Application based upon the information received to date. Having reviewed that information, the Authority cannot ensure that C2 Motor Group satisfies, and will continue to satisfy, the threshold conditions.
11. The non-disclosure of the connection to C2 Group, Mr Johnson's false answers to questions in the Application and the lack of response to correspondence lead the Authority to consider that C2 Motor Group:
 - a. is not a fit and proper person having regard to all the circumstances, including in particular its connection to C2 Group and Mr Johnson;
 - b. cannot be effectively supervised by the Authority;
 - c. has not been open and co-operative in all its dealings with the Authority and is not ready, willing and organised to comply with the requirements of the regulatory system; and
 - d. if given permission, might repeat the sort of conduct which led to the Authority cancelling C2 Group's permission.
12. The Authority considers that C2 Motor Group does not meet the Suitability or

Effective Supervision Threshold Conditions. It therefore has decided to refuse the application.

DEFINITIONS

13. The definitions below are used in this Final Notice.

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

“the Application” means the application referred to in paragraph 1 above;

“the Authority” means the body corporate previously known as the Financial Services Authority and renamed on 1 April 2013 as the Financial Conduct Authority;

“C2 Motor Group” means C2 Motor Group Ltd (company number: 13752921);

“C2 Group” means C2 Group Ltd (company number: 08943884);

“COND” means the Threshold Conditions section of the Authority’s handbook;

“the Executive Decision Maker” means the member of the Authority’s staff acting under executive procedures as described in Chapter 4 of the Decision Procedure and Penalties Manual in the Authority’s Handbook;

“SUP” means the Supervision section of the Authority’s handbook;

“SYSC” means the Senior Management Arrangements, Systems and Controls section of the Authority’s handbook; and

“the Tribunal” means the Upper Tribunal (Tax & Chancery Chamber).

FACTS AND MATTERS

14. C2 Motor Group submitted the Application on 21 February 2022. An application was also submitted for Rodney Johnson to hold the SMF29 (limited scope) controlled function. Mr Johnson is C2 Motor Group’s sole director and controller.

15. C2 Motor Group applied to carry on the activities set out in paragraph 1. It applied for limited permission credit broking, which would allow it to broke credit as the supplier of goods or services carried on for the purposes of, or in connection with, the sale of goods or the supply of services by C2 Motor Group to customers. It also applied for debt adjusting and debt counselling permission limited to relevant credit activity, as defined by paragraph 2G of Schedule 6 of the Act.

16. In the Application, C2 Motor Group failed to provide a full disclosure of directorships held by Mr Johnson. It disclosed 4 directorships held by Mr Johnson in the last 10 years, including current directorships. However, Mr Johnson previously held and currently holds the following other directorships, which were undisclosed on the application form.

- C2 Group Ltd
- C2 Cars Ltd
- C2 International Ltd

17. C2 Group was authorised and regulated by the Authority until 4 May 2018. By [a Final Notice of that date](#), the Authority cancelled C2 Group's permission because it had failed to comply with regulatory requirements to submit regulatory returns. It also failed to pay outstanding fees to the Authority. Mr Johnson is and has been a director of C2 Group since 21 September 2016.

18. The individual controller form completed by Mr Johnson asked:

In relation to activities regulated by the FCA or any other regulatory body [...] has the candidate or any company [...] of which the candidate is or has been a controller, director [...], ever –

- (a) Been refused, had revoked, restricted, been suspended from or terminated, any licence, authorisations, registration, notification, membership or any other permission granted by any such body?*
- (b) Been criticised, censured, disciplined, suspended, expelled, fined or been the subject of any other disciplinary or interventional action by any such body?*
- (c) Received a warning (whether public or private) that such disciplinary or interventional action may be taken against the candidate or the firm?
[...]*

19. Mr Johnson answered 'no' to each of these questions. The Authority considers this response was false because Mr Johnson was the controller and director of C2 Group on 4 May 2018, when the Authority issued the Final Notice referenced above, and for more than 18 months prior to that date.

20. The Individual Controller Form contains a declaration confirming that the information in the form is accurate and complete to the best of the candidate's knowledge and belief, and that the candidate has read the explanatory notes. Mr Johnson signed that declaration. In doing so he also confirmed that he understood it is criminal offence to knowingly or recklessly provide to the Authority information that is materially false, misleading or deceptive.

21. The Authority made numerous telephone calls to C2 Motor Group between 23 and 26 May 2022 and set out its concerns to C2 Motor Group in an email dated 26 May 2022. That email informed C2 Motor Group that, without its response, the Application would be determined based on the information received to date, which may result in a recommendation being made to refuse the Application.

22. C2 Motor Group has failed to respond to the Authority's attempts to contact it.

23. No representations to the Decision Notice were received.

IMPACT ON THRESHOLD CONDITIONS

24. The regulatory provisions relevant to this Final Notice are referred to in Annex A.
25. In light of the facts and matters set out above and for the reasons set out below, the Authority cannot ensure that, if the Application were granted, C2 Motor Group would satisfy, and continue to satisfy the Suitability Threshold Condition and the Effective Supervision Threshold Condition.
26. The Authority expects Applicants to be open and cooperative in disclosing matters which might affect fitness and propriety. It is a criminal offence to knowingly or recklessly provide information which is materially false, misleading or deceptive.
27. Mr Johnson's false declarations and non-disclosure in relation to C2 Group indicate to the Authority that he is not a fit and proper person.

Suitability Threshold Condition

28. C2 Motor Group has not satisfied the Authority that it is a fit and proper person having regard to all the circumstances, including its connection with C2 Group and Mr Johnson.
29. COND 2.5.6.G, which relates to the Suitability Threshold Condition, provides examples of the kind of particular considerations to which the FCA may have regard when assessing whether a firm will satisfy, and continue to satisfy, this threshold condition. This includes, but is not limited to, whether:
 - (1) *the firm has been open and co-operative in all its dealings with the [Authority] and any other regulatory body [...] and is ready, willing and organised to comply with the requirements and standards under the regulatory system [...];*
 - (2) *[...];*
 - (3) *the firm has been the subject of, or connected to the subject of, any existing or previous investigation or enforcement proceedings by the [Authority] [...];*
 - (4) *the firm has contravened, or is connected with a person who has contravened, any provisions of [...] the regulatory system [...];*
 - (5) *the firm, or a person connected with the firm, has been refused registration, authorisation, membership or licence to carry out a trade, business or profession or has had that registration, authorisation, membership or licence revoked, withdrawn or terminated, or has been expelled by a regulatory or government body [...]*
30. C2 Motor Group is connected to C2 Group because Mr Johnson is the sole director and controller of C2 Motor Group and was a director and controller of C2 Group at the time C2 Group's permission was cancelled by the Authority. C2 Group was the subject of enforcement proceedings by the Authority, which resulted in the cancellation of its permission. C2 Motor Group and Mr Johnson failed to disclose this connection to the Authority and Mr Johnson has provided false declarations to the Authority in relation to it.
31. In light of these matters, the Authority is not satisfied that C2 Motor Group is a fit

and proper person to carry on the regulated activities for which it seeks permission and cannot be satisfied that C2 Motor Group is ready, willing and organised to comply with the requirements and standards under the regulatory system.

32. The above concerns mean that C2 Motor Group has not demonstrated that it meets the Suitability Threshold Condition.

Effective Supervision Threshold Condition

33. A firm must be capable of being effectively supervised by the Authority having regard to all the circumstances. When assessing this threshold condition, the Authority will take into consideration whether it is likely that the Authority will receive adequate information from C2 Motor Group to enable it to determine whether it is complying with the requirements and standards under the regulatory system, for which the Authority is responsible, and to identify and assess the impact on its statutory objective.

34. As explained above, C2 Motor Group is connected to C2 Group, which was previously regulated by the Authority and was referred to Enforcement for failure to submit regulatory returns. It failed to respond to the Authority's repeated attempts to contact it, and as a result, its permission was cancelled. Mr Johnson is presently a director of both C2 Group and C2 Motor Group.

35. The Authority is concerned that should C2 Motor Group be authorised, it may also not submit its regulatory returns in a timely manner or at all. C2 Motor Group has also failed to respond to the Authority's attempt to contact it in relation to the Application.

36. Furthermore, C2 Motor Group has failed to disclose its connection to C2 Group and the previous enforcement action by the Authority. This suggests it will not be open and cooperative in all its dealing with the Authority, as required by Principle 11, and it may not be capable of being effectively supervised by the Authority.

37. The above concerns mean that C2 Motor Group has not demonstrated that it meets the Effective Supervision Threshold Condition.

38. On the basis of the facts and matters described above, the Authority cannot ensure that C2 Motor Group will satisfy, and continue to satisfy, the threshold conditions in relation to all of the regulated activities for which C2 Motor Group would have permission if the application was granted. The Authority accordingly has refused the application.

IMPORTANT NOTICES

39. This Final Notice is given under section 390 (1) of the Act.

Publication

40. Sections 391(4), 391(6) and 391(7) of the Act apply to the publication of information about the matter to which this Notice relates. Under those provisions, the Authority must publish such information about the matter to which this Notice relates as the Authority considers appropriate. The information may be published in such manner as the Authority considers appropriate. However, the Authority may not publish information if such publication would, in the opinion of the Authority, be unfair to you or prejudicial to the interests of consumers or detrimental to the stability of the UK financial system. 39. The Authority intends to publish such information about the matter to which this Final Notice relates as it considers appropriate.

41. The Authority intends to publish such information about the matter to which this Final Notice relates as it considers appropriate.

Authority contacts

42. For more information concerning this matter generally, contact Ana Marulanda, Manager, Credit & Lending, at the Authority (direct line: 020 7066 4724 / email: Ana.Marulanda@fca.org.uk).