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## FINAL NOTICE

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**CLAIMS 4U LTD**

21 Rushby Street  
Sheffield  
South Yorkshire  
S4 8GN

27 July 2021

**ACTION**

1. By an application dated 31 July 2019 ("the Application"), CLAIMS 4U Limited ("CLAIMS 4U") 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. Seeking out, referrals and identification of claims or potential claims (personal injury claim; financial services or financial product claim; housing disrepair claim; claim for a specified benefit; criminal injury claim; employment related claim);
  - c. Advice, investigation or representation in relation to a personal injury claim;
  - d. Advice, investigation or representation in relation to a financial services or financial product claim;
  - e. Advice, investigation or representation in relation to a housing disrepair claim;

- f. Advice, investigation or representation in relation to a claim for a specified benefit;
  - g. Advice, investigation or representation in relation to a criminal injury claim;
  - h. Advice, investigation or representation in relation to an employment related claim.
2. The Application is incomplete.
  3. For the reasons listed below, the Authority has decided to refuse the Application.

### **SUMMARY OF REASONS**

4. By its Warning Notice dated 14 August 2020 ("the Warning Notice") the Authority gave notice that it proposed to refuse the Application and that CLAIMS 4U was entitled to make representations to the Authority about that proposed action.
5. As no representations have been received by the Authority from CLAIMS 4U within the time allowed by the Warning Notice, the default procedures in paragraph 2.3.2 of the Authority's Decision Procedure and Penalties Manual apply, permitting the Authority to treat the matters referred to in its Warning Notice as undisputed and, accordingly, to give a decision notice.
6. By its decision notice dated 22 December 2020 ("the Decision Notice"), the Authority gave CLAIMS 4U notice that it had decided to take the action described above.
7. CLAIMS 4U had 28 days from the date the Decision Notice was given to refer the matter to the Upper Tribunal. CLAIMS 4U referred the Decision Notice to the Upper Tribunal on 21 January 2021. Following agreement with the Upper Tribunal, the Authority filed and served its Statement of Case and List of Documents in the Upper Tribunal proceedings on 23 February 2021. CLAIMS 4U was due to file and serve its Reply pursuant to Rule 5(1) of the Tribunal Procedure (Upper Tribunal) Rules 2008 ("the Upper Tribunal Rules") by no later than 23 March 2021, but it did not do so. CLAIMS 4U was subsequently given a number of opportunities to file and serve a Reply by the Upper Tribunal, but it again did not do so. Accordingly, on 27 May 2021 the Upper Tribunal directed that the reference be struck out and that the Upper Tribunal proceedings were at an end. Pursuant to Rule 8(5) and (6) of the Upper Tribunal Rules, CLAIMS 4U had one month after the date of release of the Upper Tribunal's directions striking out the proceedings within which to apply to reinstate the reference, but it did not do so.
8. Under section 390 (1) of the Act, the Authority, having decided to refuse the Application and the Tribunal having struck CLAIMS 4U's reference, must give CLAIMS 4U Final Notice of its refusal.
9. The Authority decided to refuse the Application and to give this Final Notice as CLAIMS 4U has failed to provide the information required by the Authority and, in the absence of the information sought, the Authority cannot ensure that CLAIMS 4U will satisfy, and continue to satisfy, the Threshold Conditions set out in Schedule 6 of the Act.

## **DEFINITIONS**

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

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

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

“CLAIMS 4U” means CLAIMS 4U Limited

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

## **FACTS AND MATTERS**

11. The Application was received by the Authority on 31 July 2019.

12. Further information was requested from CLAIMS 4U under section 55U(5) of the Act.

13. Details of all relevant communications between the Authority and CLAIMS 4U are set out below:

14. Between 13 September 2019 and 14 July 2020, the Authority sent CLAIMS 4U four emails, three letters and made three phone calls to elicit information from CLAIMS 4U that would assist the Authority in determining the Application.

15. On 13 September 2019, the Authority sent an email to CLAIMS 4U requesting that CLAIMS 4U provide the following information in support of the Application by 27 September 2019:

- a. Business Plan
- b. Pre-contract information
- c. Client Contract information
- d. Vulnerable persons procedure
- e. Opening balance sheet
- f. Closing balance sheet for 1st 12 months
- g. Cash flow statement 1st 12 months
- h. Profit & Loss statement 1st 12 months
- i. Annual / management accounts
- j. Compliance Monitoring document
- k. Compliance Procedures document

- l. Evidence of how the firm will meet its Prudential Resources requirement
  - m. The Individual form (TI) form for Mr Aqeel Rasool Question. 4.3 – Please provide a CV for Mr Aqeel Rasool
  - n. Question. 5.6 - Please provide an answer for this.
  - o. Question. 5.23 - Please provide an answer for this.
  - p. Section 7, the declaration is incomplete and requires a signature.
16. On 13 September 2019, the Authority sent two additional separate emails to CLAIMS 4U requesting that CLAIMS 4U provide the following further information in support of the Application by 27 September 2019:
- a. SM&CR Form A and SOR
  - b. Periodic fee payment
17. CLAIMS 4U failed to provide the outstanding information by 27 September 2019.
18. On 27 November 2019, the Authority sent a letter to CLAIMS 4U under cover of an email, noting the lack of a response to its request for information on 13 September 2019, and informing it that failure to provide that information would result in the Application being determined based upon the information received to date and that this might result in a recommendation to the RTC that it issue CLAIMS 4U with a warning notice proposing to refuse the Application. The deadline for a response to this request was 11 December 2019.
19. On 27 November 2019, CLAIMS 4U sent an email to the FCA to request an extension in which to provide a response to the Authority's request for further information.
20. On 12 December 2019, having not received any further correspondence, the Authority sent a second letter, to CLAIMS 4U under cover of an of an email and by recorded delivery, with delivery confirmed on 20 December 2019, noting that the information requested on 27 November 2019 had not been provided, and requesting a response by 27 December 2019. CLAIMS 4U was informed that failure to provide the information would result in the Application being determined based upon the information received to date and that this might result in a recommendation to the RTC that it issue CLAIMS 4U with a warning notice proposing to refuse the Application. CLAIMS 4U failed to provide the outstanding information by 27 December 2019.
21. On 28 December 2019, the Authority sent a further letter to CLAIMS 4U under cover of an of an email and by recorded delivery, noting the lack of a response to its previous requests for information and informing it that failure to provide the information would result in the Application being determined based upon the information received to date and that this might result in a recommendation to the RTC that it issue CLAIMS 4U with a warning notice proposing to refuse the Application. CLAIMS 4U failed to provide the outstanding information by 16 January 2020. The letter was returned to the Authority on 12 March 2020 with a reference note from Royal Mail stating the letter was undelivered and was marked as uncalled for.

22. On 23 January 2020, the Authority attempted to call CLAIMS 4U on the telephone number it provided but there was no answer and the Authority was unable to leave a message as the number provided did not have a facility for leaving messages.
23. On 14 July 2020, the Authority attempted to call CLAIMS 4U on the telephone number it provided but there was no answer and again the Authority was unable to leave a message as the number provided did not have a facility for leaving messages.
24. On 14 July 2020, the Authority contacted CLAIMS 4U on the mobile telephone number it provided and, briefly spoke with the director of CLAIMS 4U, who requested that the Authority put its request in an email.
25. On 14 July 2020, the Authority forwarded a letter to CLAIMS 4U under cover of an email, noting that the information requested on 28 December 2019 had not been provided, and requested a response as a matter of urgency. CLAIMS 4U was informed that a failure to provide the information would result in the Application being determined based upon the information received to date and that this might result in a recommendation to the RTC that it issue CLAIMS 4U with a warning notice proposing to refuse the Application. CLAIMS 4U failed to provide the outstanding information.
26. To date, the Authority has not received a response to its requests for information.

## **IMPACT ON THRESHOLD CONDITIONS**

27. The regulatory provisions relevant to this Final Notice are referred to in Annex A.
28. CLAIMS 4U has failed to respond to six separate requests for the provision of information considered by the Authority to be necessary to allow the Application to be determined. Three of these requests were made over a four-week period and included a statement to the effect that CLAIMS 4U must contact the Authority, or the Authority would recommend to the RTC that CLAIMS 4U receives a Warning Notice.
29. The Authority has therefore determined the Application based upon the information received to date, in circumstances where its requests for information have not been met. Having reviewed that information, the Authority cannot ensure that CLAIMS 4U satisfies, and will continue to satisfy, the Threshold Conditions.
30. Authorised firms (and those seeking authorisation) are expected to engage with the Authority in an open and cooperative way. The failure to provide the requested information raises concerns that CLAIMS 4U would fail to do so if the Application were to be granted.
31. The failure to provide the information raises concerns as to whether CLAIMS 4U:
  - a. can be effectively supervised by the Authority as required by Threshold Condition 2C;

- b. has appropriate human resources, given CLAIMS 4U's failure to provide the Authority with the requested information as required by Threshold Condition 2D; and
- c. will conduct its business with integrity and in compliance with proper standards as required by Threshold Condition 2E.

32. On the basis of the facts and matters described above, in particular the failure to provide the information sought, the Authority has concluded that it cannot ensure that CLAIMS 4U will satisfy, and continue to satisfy, the Threshold Conditions in relation to all of the regulated activities for which CLAIMS 4U would have permission if the Application was granted.

### **IMPORTANT NOTICES**

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

### **Publication**

34. 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.

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

### **Authority contacts**

36. For more information concerning this matter generally, contact Tina Archer, Manager, Claims Management Companies Department at the Authority (direct line: 020 7066 020 7066 9188 / email: Tina.Archer@fca.org.uk).



**Val Smith**  
**Executive Decision maker on behalf of the Authority**

## **ANNEX A – REGULATORY PROVISIONS RELEVANT TO THIS FINAL NOTICE**

### **Relevant Statutory Provisions**

1. Section 55A(1) of the Act provides for an application for permission to carry on one or more regulated activities to be made to the appropriate regulator. Section 55A(2) defines the “appropriate regulator” for different applications.
2. Section 55B(3) of the Act provides that, in giving or varying permission, imposing or varying a requirement, or giving consent, under any provision of Part 4A of the Act, each regulator must ensure that the person concerned will satisfy, and continue to satisfy, in relation to all of the regulated activities for which the person has or will have permission, the Threshold Conditions for which that regulator is responsible.
3. The Threshold Conditions are set out in schedule 6 of the Act. In brief, the Threshold Conditions relate to:
  - (1) Threshold condition 2B: Location of offices
  - (2) Threshold condition 2C: Effective supervision
  - (3) Threshold condition 2D: Appropriate resources
  - (4) Threshold condition 2E: Suitability
  - (5) Threshold condition 2F: Business model

### **Relevant provisions of the Authority’s Handbook**

4. In exercising its powers in relation to the granting of a Part 4A permission, the Authority must have regard to guidance published in the Authority Handbook, including the part titled Threshold Conditions (“COND”). The main considerations in relation to the action specified are set out below.
5. COND 1.3.2G(2) states that, in relation to Threshold Conditions 2D to 2F, the Authority will consider whether a firm is ready, willing and organised to comply on a continuing basis with the requirements and standards under the regulatory system which will apply to the firm if it is granted Part 4A permission.
6. COND 1.3.3AG provides that, in determining the weight to be given to any relevant matter, the Authority will consider its significance in relation to the regulated activities for which the firm has, or will have, permission in the context of its ability to supervise the firm adequately, having regard to the Authority’s statutory objectives. In this context, a series of matters may be significant when taken together, even though each of them in isolation might not give serious cause for concern.
7. COND 1.3.3BG provides that, in determining whether the firm will satisfy, and continue to satisfy, the Authority Threshold Conditions, the Authority will have regard to all relevant matters, whether arising in the United Kingdom or elsewhere.

### Threshold Condition 2C: Effective Supervision

8. COND 2.3.3G states that, in assessing the Threshold Condition set out in paragraph 2C of Schedule 6 to the Act, factors which the Authority will take into consideration include, among other things, whether it is likely that the Authority will receive adequate information from the firm 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 objectives; this will include consideration of whether the firm is ready, willing and organised to comply with Principle 11 (Relations with regulators) and the rules in SUP on the provision of information to the Authority.

### Threshold condition 2D: Appropriate Resources

9. COND 2.4.2G(2) states that the Authority will interpret the term 'appropriate' as meaning sufficient in terms of quantity, quality and availability, and 'resources' as including all financial resources (though only in the case of firms not carrying on, or seeking to carry on, a PRA-regulated activity), non-financial resources and means of managing its resources; for example, capital, provisions against liabilities, holdings of or access to cash and other liquid assets, human resources and effective means by which to manage risks.
10. COND 2.4.2G(2A) provides that 'non-financial resources' of the firm include human resources it has available.
11. COND 2.4.2G(3) states that high level systems and control requirements are in SYSC. The Authority will consider whether the firm is ready, willing and organised to comply with these and other applicable systems and controls requirements when assessing if it has appropriate non-financial resources for the purpose of the Threshold Conditions set out in Threshold Condition 2D.

### Threshold condition 2E: Suitability

12. COND 2.5.2G(2) states that the Authority will also take into consideration anything that could influence a firm's continuing ability to satisfy the Threshold Conditions set out in paragraphs 2E and 3D of Schedule 6 to the Act. Examples include the firm's position within a UK or international group, information provided by overseas regulators about the firm, and the firm's plans to seek to vary its Part 4A permission to carry on additional regulated activities once it has been granted that permission.
13. COND 2.5.4G(2)(a) states that examples of the kind of general considerations to which the Authority may have regard when assessing whether a firm will satisfy, and continue to satisfy, Threshold Condition 2E include, but are not limited to, whether the firm can demonstrate that it conducts, or will conduct, its business with integrity and in compliance with proper standards.
14. COND 2.5.6G provides that examples of the kind of particular considerations to which the Authority may have regard when assessing whether a firm will satisfy, and continue to satisfy, this Threshold Condition include, but are not limited to, whether the firm has been open and co-operative in all its dealings with the Authority and any other regulatory body (see Principle 11 Relations with regulators) and is ready, willing and organised to comply with the requirements and standards under the regulatory system (such as the detailed requirements of SYSC and, in relation to a firm not carrying on, or seeking to carry on, a PRA-



regulated activity only, the Prudential Standards part of the Authority's Handbook) in addition to other legal, regulatory and professional obligations; the relevant requirements and standards will depend on the circumstances of each case, including the regulated activities which the firm has permission, or is seeking permission, to carry on.