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## **FINAL NOTICE**

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**Clarity Vehicle Management Limited**  
**101 Cornishway**  
**Manchester**  
**Greater Manchester**  
**M22 1PA**

13 January 2022

### **ACTION**

1. By an application number 207106377 dated 10 December 2020 ("the Application"), Clarity Vehicle Management Limited ("Clarity Vehicle" 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. Consumer Hire
  - c. Limited permission credit broking
  - d. Broking of consumer hire or hire purchase
  - e. Debt counselling with the following limitation - Limited to relevant credit activity - This activity is limited to relevant credit activities as defined in paragraph 2G of Schedule 6 of the Financial Services and Markets Act 2000
  - f. Providing credit information services with the following limitation - Limited to relevant credit activity - This activity is limited to relevant credit activities as defined in paragraph 2G of Schedule 6 of the Financial Services and Markets Act 2000
2. The Application is incomplete.
3. For the reasons listed below, 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 Clarity Vehicle was entitled to make representations to the Authority about the proposed action.

5. As no representations have been received by the Authority from Clarity Vehicle 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 Final Notice.

## **DEFINITIONS**

6. 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;

"the RDC" means the Authority's Regulatory Decisions Committee;

"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)

"the Warning Notice" means the warning notice dated 17 September 2021 given to the applicant by the Authority.

## **FACTS AND MATTERS**

7. The Application was received by the Authority on 10 December 2020
8. Further information was requested from Clarity Vehicle under section 55U(5) of the Act.
9. The Authority contacted Clarity Vehicle on 2 July 2021 using the telephone contact details in the Application. A call back was scheduled for 5 July 2021 to discuss the Application.
10. The Authority contacted Clarity Vehicle on 5 July 2021 via telephone but there was no response. A follow up e-mail was sent to Clarity Vehicle on the same day, requesting that Clarity Vehicle provide the following information in support of the Application by 9 July 2021:
  - a. A confirmation that a regulatory reference had been obtained for Mr Matthew Bergin
  - b. Whether the Providing Credit information Services with the following limitation permission - Limited to relevant credit activities as defined in paragraph 2G of Schedule 6 of the Financial Services and Markets Act 2000 - was required or had been selected in error
11. Clarity Vehicle failed to provide the outstanding information by 9 July 2021.

12. On 13 July 2021, the Authority attempted to contact Clarity Vehicle by telephone using the contact details in the Application. There was no response. On the same day, the Authority sent an email to Clarity Vehicle to request, by 20 July 2021, that Clarity Vehicle respond to the Authority's email dated 9 July 2021. Clarity Vehicle failed to respond by 20 July 2021.
13. The Authority contacted Clarity Vehicle on 20 July 2021 via telephone but there was no response.
14. On 10 August 2021, the Authority sent a letter to Clarity Vehicle by way of recorded delivery, noting the lack of a response to its requests for the information and informing it 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 the Authority issuing Clarity Vehicle with a Warning Notice proposing to refuse the Application. Clarity Vehicle failed to provide the outstanding information by the stated deadline of 10 working days.

### **IMPACT ON THRESHOLD CONDITIONS**

15. Clarity Vehicle has failed to respond to 3 separate requests for the provision of information considered by the Authority to be necessary to allow the Application to be determined. The final request gave Clarity Vehicle 10 business days to respond and included a statement to the effect that Clarity Vehicle must contact the Authority, or the Authority would issue Clarity Vehicle with a Warning Notice.
16. The Authority must therefore determine 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 Clarity Vehicle satisfies, and will continue to satisfy, the threshold conditions.
17. 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 Clarity Vehicle would fail to do so if the Application were to be granted.
18. The failure to provide the information raises concerns as to whether Clarity Vehicle:
  - a. can be effectively supervised by the Authority as required by threshold condition 2C;
  - b. has appropriate human resources, given Clarity Vehicle'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.

The regulatory provisions relevant to this Final Notice are referred to in Annex A.

## **PROCEDURAL MATTERS**

### **Decision maker**

19. The decision which gave rise to the obligation to give this Final Notice was made by the Executive Decision Maker.
20. This Final Notice is given under section 55X(2) and in accordance with section 390 of the Act.

### **Confidentiality and publicity**

21. Clarity Vehicle should note that this Final Notice may contain confidential information and, unless it has been published by the Authority, should not be disclosed to a third party (except for the purpose of obtaining advice on its contents). Clarity Vehicle should also note that, under section 391(1A) of the Act, a person to whom a Final 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. Clarity Vehicle should also note, however, that the Authority must, under section 391(4) of the Act, publish such information about the matter to which a Final Notice relates as it considers appropriate. A Decision Notice or Final Notice may contain reference to the facts and matters contained in this Notice.

### **Authority contacts**

23. For more information concerning this matter generally, contact Emily Pinkerton, Manager, Credit and Lending Department at the Authority (direct line: 020 7066 1450 / email: [emily.pinkerton@fca.org.uk](mailto:emily.pinkerton@fca.org.uk)).

Yours faithfully

**Emily Pinkerton**

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

## ANNEX A – REGULATORY PROVISIONS RELEVANT TO THIS WARNING 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’s Handbook, including the part entitled 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.
8. 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.

#### Threshold Condition 2C: Effective Supervision

9. 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

10. 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.
11. COND 2.4.2G(2A) provides that, 'non-financial resources' of the firm include human resources it has available.
12. 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

13. 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.
14. COND 2.5.4G(2)(c)G 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.
15. 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.

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