
FINAL NOTICE

To: **PARAM@ UK LTD**

Address: **Admirals Way
Suite 34
Beaufort Court
London
E14 9XL**

FRN: **926987**

Dated: **7 July 2025**

ACTION

1. For the reasons set out in this Final Notice, the Authority hereby cancels PARAM@ UK LTD's ("the Firm") registration as a Small Electronic Money Institution under the Electronic Money Regulations 2011 ("the EMRs").
2. The Authority issued to the Firm the Decision Notice, which notified it that for the reasons given in this notice and pursuant to Regulation 10(1)(e) of the EMRs, the Authority had decided to take the action specified above.
3. The Firm has not referred the matter to the Tribunal within 28 days of the date on which the Decision Notice was issued to it.

4. Accordingly, the Authority has today cancelled the Firm's registration. The cancellation takes effect from the date of this Final Notice.

SUMMARY OF REASONS

5. The Firm is no longer meeting the conditions for registration as a SEMI under the EMR's. In particular, the Firm has failed to take adequate measures for the purpose of safeguarding electronic money holders' funds.
6. The cancellation action set out in paragraph 1 above has been imposed in order to advance the Authority's consumer protection and integrity objectives (sections 1C and 1D of the Act).

DEFINITIONS

7. The definitions below are used in this Final Notice (and in the Annex):
 - "the Act" means the Financial Services and Markets Act 2000;
 - "the Authority" means the Financial Conduct Authority;
 - "the Decision Notice" means the Decision Notice given to the Firm on 25 May 2025;
 - "EG" means the Authority's Enforcement Guide;
 - "the EMRs" means the Electronic Money Regulations 2011;
 - "the Firm" means PARAM@UK Ltd;
 - "the Handbook" means the Authority's Handbook of rules and guidance;
 - "SEMI" means "Small Electronic Money Institution" as defined in Regulation 2(1) of the EMRs;
 - "the Tribunal" means the Upper Tribunal (Tax and Chancery Chamber); and
 - "the Warning Notice" means the warning notice given to Param@ UK Ltd dated 16 April 2025;

RELEVANT STATUTORY PROVISIONS

8. The statutory and regulatory provisions relevant to this Final Notice are set out in the Annex.

FACTS AND MATTERS RELIED ON

9. The Firm was registered by the Authority as a SEMI on 15 December 2020.
10. As a condition of its registration, the Firm is required to take adequate measures for the purpose of safeguarding electronic money holders' funds.

11. On 25 September 2023, the Firm was informed that its safeguarding account, which it held for the purposes of safeguarding electronic money holders' funds, was to be withdrawn. On 13 November 2023, the Firm was informed that the safeguarding account will be withdrawn on 30 April 2024.
12. Between 15 November 2023 and 21 February 2024, the Authority liaised with the Firm about its progress in procuring new safeguarding measures. The Firm reassured the Authority that it was confident that it would have finalised the migration to a new safeguarding account by March/April 2024, i.e. before its current safeguarding account was withdrawn.
13. On 26 February 2024 the Firm notified the Authority that it had decided to halt the issuing of electronic money and transform its business model into a merchant acquiring platform.
14. On 8 April 2024 the Authority sent the Firm a letter setting out its concerns in relation to the Firm not meeting the conditions of its registration by not having adequate safeguarding measures in place and asked the Firm to sign a Voluntary Undertaking agreeing to cease issuing electronic money and onboarding new customers. The Firm signed the undertaking on 15 April 2024.
15. On 30 April 2024, the Authority reiterated its concerns to the Firm about not having adequate safeguarding arrangements in place and therefore not being able to meet its conditions for registration from 1 May 2024. The Firm responded on 7 May 2024 stating that it was expecting to have finalised its safeguarding arrangements within Quarter 3 of 2024.
16. On 15 May 2024 the Authority again raised its concerns with the Firm about it not having adequate safeguarding arrangements in place. In response the Firm requested a period of 3-months to effect a change in business model from money remittance to merchant acquiring and procure an adequate safeguarding provider.
17. On 13 August 2024, having not received a response from the Firm following its 3-month extension, the Authority requested an update on the Firm's transition to a merchant acquiring platform and specifically requested an update regarding the Firm's procurement of a safeguarding provider. In response, the Firm requested a further 6-months to finalise the transition and stated that the new merchant acquiring business model does not involve the issuance of electronic money but that it was engaged in discussions with safeguarding providers and was exploring alternative solutions.
18. Between 19 August 2024 and 29 August 2024, the Authority corresponded with the Firm, raising concerns that the Firm has made minimal progress effecting the change in business model and invited the Firm to cancel its registration noting that the change in business model will not involve the issuance of electronic money. However, the Firm indicated that it wished to maintain its permissions to retain flexibility for future expansion into providing electronic money services again.
19. Between 7 October 2024 and 23 October 2024, the Authority raised its concerns with the Firm, on numerous occasions, about it not issuing e-money and lacking the relevant controls to do so. The Firm was further advised that as its new proposed business model will not involve issuing e-money it should cancel its registration as a SEMI and reapply as either an Authorised Payment Institution or a Small Payments Institution. The Firm again

reiterated its response that it wished to maintain its registration as it may be required for future business activities.

20. On 12 February 2025 the Authority issued the Firm a letter before action. The letter informed the Firm that as it was not meeting the conditions for registration as a SEMI a recommendation to cancel its registration would be made. The Firm was again invited to voluntarily cancel its registration.
21. The Firm's responses of 24 February 2024, 5 March 2025 and 7 March 2025 have not addressed the Authority's concerns raised in the LBA in relation to not having adequate safeguarding arrangements in place and not meeting the conditions for registration. The Firm's responses have not demonstrated to the Authority that it has taken adequate measures for the purpose of safeguarding electronic money holder's funds. The Firm was subsequently informed on 11 March 2025 that the enforcement action to cancel its registration as a SEMI would continue.
22. On 3 April 2025 the Firm submitted a Change in Control Notification. This does not change the Authority's position.

FAILINGS

23. The Authority has concluded that, on the basis of the facts and matters described above,
 - i. The Firm has not had adequate measures in place, for the purpose of safeguarding electronic money holders' funds, since 1 May 2024 as is required by regulation 13(7)(c) of the EMRs. This provides a basis for cancelling the Firm's registration as a SEMI in accordance with Regulations 10(1)(e) (as applied by Regulation 15) of the EMRs;
 - ii. Despite requests by the Authority that the Firm applies to cancel its registration, it has failed to do so; and
 - iii. The Firm has failed to demonstrate to the Authority that it has made any significant progress in acquiring adequate safeguarding measures.
24. For the reasons set out in this Notice, the Authority has cancelled the Firm's registration as a SEMI, pursuant to Regulation 10(1)(e) of the EMRs.

REPRESENTATIONS

25. Through the Warning Notice, the Authority gave notice that it proposed to take the action described above and the Firm was given the opportunity to make representations to the Authority about that proposed action.
26. Annex B contains a brief summary of the key representations made by the Firm and how they have been dealt with. In making the decision which gave rise to the obligation to give this Final Notice, the Authority has taken into account all the representations made by the Firm, whether or not set out in Annex B.

PROCEDURAL MATTERS

27. This Final Notice is given to the Firm in accordance with section 390 of the Act (as applied by paragraph 8 of Schedule 3 of the EMRs).

Decision maker

28. The decision which gave rise to the obligation to give this Final Notice was made by an Authority staff member under the executive procedures.

Publicity

29. Sections 391(4), 391(6) and 391(7) of the Act (as applied by paragraph 8 of Schedule 3 of the EMRs) apply to the publication of information about the matter to which this Final Notice relates. Under those provisions, the Authority must publish such information about the matter to which this Final 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 information would, in the opinion of the Authority, be unfair to the Firm or prejudicial to the interests of consumers.
30. The Authority intends to publish such information about the matter to which this Final Notice relates as it considers appropriate.

Authority contact

31. For more information concerning this matter generally, the Firm should contact Stuart Doyle at the Authority (direct line: 020 7066 0245 / email: stuart.doyle@fca.org.uk).

Jeremy Parkinson
Enforcement and Market Oversight Division

ANNEX A

RELEVANT STATUTORY PROVISIONS

1. The Authority's operational objectives established in section 1B of the Act include protecting and enhancing the integrity of the UK financial system and securing an appropriate degree of protection for consumers.
2. Regulation 15 of the EMR provides:

"Regulations 7 to 11 apply to registration as a small electronic money institution as they apply to authorisation as an authorised electronic money institution with the following modifications—

a. references to authorisation were references to registration;

[...]."
3. Under Regulation 10(1)(e) of the EMRs (as applied by Regulation 15), the Authority may cancel the registration of a SEMI where the person no longer meets, or is unlikely to meet, any of the conditions for registration set out in regulation 13 of the EMRs.
4. Regulation 13 of the EMR provide:

"The Authority may refuse to register an applicant as a small electronic money institution only if any of the conditions set out in paragraphs (2) to (10) is not met—

Where regulation 13(7) provides that the applicant must satisfy the Authority that –

[...]

c. it has taken adequate measures for the purpose of safeguarding electronic money holders' funds in accordance with regulation 20."

[...]."
5. Regulation 20(1) of the EMRs states that electronic money institutions must safeguard funds that have been received in exchange for electronic money that has been issued.

RELEVANT HANDBOOK PROVISIONS

6. In exercising its powers to cancel the registration of a SEMI the Authority must have regard to guidance published in the Handbook and in regulatory guides, such as EG. The main considerations relevant to the action stated in this notice are set out below.

Enforcement Guide

7. The Authority's policy in relation to exercising its enforcement powers is set out in EG, the relevant provisions of which are summarised below.
8. EG 19.23.3 provides that the Authority's approach to enforcing the EMRs will mirror its general approach to enforcing the Act.

9. EG 19.23.4 provides that, in relation to the EMRs, the Authority has decided to adopt procedures and policies in relation to the use of its sanctioning and regulatory powers, akin to those it has under the Act.

ANNEX B

REPRESENTATIONS

The Firm made representations to the Authority on 28 April 2025 and 19 May 2025 in response to the Warning Notice. A summary of the Firm's key representations (in bold) and the Authority's conclusion in respect of them, is set out below.

1. **Ground 1: the Firm states that it is currently undertaking a change in control to restructure itself under the group's parent entity and that the change in control directly addresses the challenges the Firm faced in establishing a safeguarding account.**
2. The Firm has not had adequate safeguarding measures in place since access to its safeguarding account was withdrawn by the Firm's bank on 30 April 2024.¹
3. The Firm first indicated its intention to effect a change in control on 26 February 2024. On 28 February 2024 the Firm was advised that given the extent of the proposed changes to the controllers, structure and business model it may be prudent for the Firm to cancel its registration and reapply as a new business. The Firm did not cancel its registration and reapply as a new business.
4. Between 16 October 2024 and 23 October 2024, the Authority made it clear that the Firm no longer issued electronic money and lacks the adequate safeguarding measures to do so. The Firm was again advised cancel its registration and reapply.
5. On 12 February 2025 the Authority issued a Letter Before Action ("LBA") again recommending that the Firm cancelled its registration.
6. On 24 February 2025 and 6 March 2025 the Firm again indicated its intention to submit a change in control application. The Firm was advised that a change in control would not resolve the Authority's concern that the Firm did not have adequate safeguarding measures in place and therefore it did not change the Authority's position in relation to the Enforcement action.
7. The Firm subsequently submitted a change in control application to the Authority on 3 April 2025. The assessment of the application is yet to begin as the Firm has not provided all the information required.
8. The point raised by the Firm that the change in control application directly addresses the challenges the Firm faced in establishing a safeguarding account is not accurate as the change in control itself will not directly result in the Firm having safeguarding measures put in place.
9. The Firm has had sufficient time to obtain a safeguarding account and has failed to demonstrate that it has taken adequate steps to ensure it has safeguarding measures in place.
10. In addition, the Authority has considered the Firm's business plan, which the Firm submitted in support of its representations. The business plan does not address the fact that the Firm

¹ The Firm was notified of the Banks decision to withdraw the safeguarding account on 25 September 2023. The Authority became aware on 4 October 2023.

does not have a safeguarding account and indicates that the Firm's proposed business would fall outside of the Firm's scope as a SEMI. In order to conduct the business proposed by the Firm it would need to cancel its registration as a SEMI and reapply for the correct permissions.

11. **Ground 2: the Firm, prior to the withdrawal of its safeguarding account, voluntarily closed its existing customers' accounts, ceased issuing electronic money, and does not have any electronic money outstanding at present. As such, the Firm did not otherwise have or hold any customer funds to safeguard in the UK as it temporarily ceased operations until it could become fully compliant.**
12. The Authority acknowledges that on 6 March 2024 the Firm informed the Authority that, as of 29 February 2024, all electronic money customer accounts had been closed. It is further acknowledged that on 8 April 2024, the Authority issued the Firm a Voluntary Undertaking, which the Firm signed on 15 April 2024, agreeing to cease issuing electronic money and onboarding new customers.
13. Whilst it is noted that the Firm may not have had or held any customer funds to safeguard in the UK this does not alter the Firm's requirement to have safeguarding measures in place and continue to meet its conditions for registration.
14. Despite being given sufficient opportunity to do so, the Firm failed to demonstrate that it has taken adequate steps to ensure it has adequate safeguarding measures in place. The fact that the Firm did not have any electronic money customers does not detract from this.
15. **Ground 3: the Firm hired and appointed a new Money Laundering Reporting Officer ("MRLO").**
16. The absence of a MRLO was not a factor considered by the Authority in reaching its conclusion that the Firm was failing to meet the conditions for registration.
17. Whilst the Authority acknowledges that the appointment of an MRLO 'may' remove a barrier to the Firm acquiring a safeguarding account, it does not detract from the fact that the Firm does not have adequate safeguarding measures and has therefore failed to meet the conditions for registration since 30 April 2024.
18. **Ground 4: the Firm is in the process of establishing a new safeguarding account.**
19. In support of this the Firm provided an email chain between the Firm and a safeguarding account provider.
20. The Authority acknowledges that on 13 March 2025 the Firm received indication that a letter of intent ("LOI") was to follow from the safeguarding account provider. However, this is not confirmation of the Firm having secured a safeguarding account as the account provider still needs to conduct its due diligence. The Firm has provided no further update in relation to the LOI.
21. The LOI does not detract from the fact that the Firm has not had adequate safeguarding measures since 30 April 2024 and that it has had sufficient time to meet the conditions of its registration and has failed to demonstrate that it has taken adequate steps to address the issue.

22. The Firm has not provided any clear indication of when the Firm is expecting to acquire a safeguarding account.
23. **Additional Ground: a letter from a safeguarding account provider was provided to the Authority stating that "We hereby confirm that we can provide safeguarding accounts in the name PARAM@ UK LTD..."**
24. The additional representation does not alter the Authority's position. The correspondence does not confirm that the Firm has a safeguarding account and does not constitute a commitment for the opening of safeguarding accounts. The Firm therefore remains in breach of the conditions

Conclusion

25. The Authority considers that the Firm is not meeting its conditions for registration as a SEMI because the Firm does not have adequate measures in place to safeguard electronic money holders' funds. The Authority also considers that the Firm has had sufficient time to obtain a safeguarding account and has failed to demonstrate that it has taken adequate steps to do so. The Firm's proposed business model; its change in control application; its appointment of a MLRO; and the LOI does not satisfy the Authority that the Firm has adequate safeguarding measures in place and is therefore meeting the conditions for registration. Therefore, the Authority considers that it is both proportionate and appropriate to cancel the Firm's registration as a SEMI.