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## **FINAL NOTICE**

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**PPI Tax Rebate Ltd. (Helpful Law Ltd.)  
Riverside, Mountbatten Way  
Congleton  
England  
CW12 1DY**

**18 November 2020**

### **ACTION**

1. By an application dated 8 June 2019 ("the Application"), Helpful Law Ltd, Company Number: 07843185 ("Helpful Law" or "the firm"), 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); and
  - c. advice, investigation or representation in relation to a financial services or financial product claim.

2. The Application is incomplete.
3. The Authority has refused the Application.

### **SUMMARY OF REASONS**

4. By its Warning Notice dated 5 March 2020, the Authority gave notice that it proposed to refuse the Application and that Helpful Law was entitled to make representations to the Authority about that proposed action.
5. As no representations were received by the Authority from Helpful Law 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 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 Decision Notice dated 22 September 2020, the Authority gave Helpful Law notice that it had decided to take the action described above.
7. Helpful Law had 28 days from the date the Decision Notice was given to refer the matter to the Tribunal. No referral was made to the Tribunal within this period of time or to date.
8. 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 Helpful Law a Final Notice of its refusal.
9. Helpful Law failed to respond to five separate requests for the provision of information considered by the Authority to be necessary to allow the Application to be determined. These requests were made over a three-month period and the last three requests included a statement to the effect that Helpful Law must contact the Authority, or the Authority would recommend to the Authority's Regulatory Transactions Committee that Helpful Law receive a Warning Notice.
10. 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 Helpful Law satisfies, and will continue to satisfy, the threshold conditions for which the Authority is responsible.
11. 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 has raised concerns that Helpful Law would fail to do so if the Application were to be granted.
12. The failure to provide the information raised concerns as to whether Helpful Law:
  - a. can be effectively supervised by the Authority, as required by threshold condition 2C (Effective supervision);
  - b. has appropriate human resources, given Helpful Law's failure to provide the Authority with the requested information, as required by threshold condition 2D (Appropriate resources); and

- c. will conduct its business with integrity and in compliance with proper standards, as required by threshold condition 2E (Suitability).

## **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 Financial Conduct Authority;

“the Decision Notice” means the decision notice dated 22 September 2020 given to Helpful Law by the Authority;

“the outstanding information” means the information referred to in paragraph 18 below;

“the RTC” means the Authority’s Regulatory Transactions 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;

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

“the Warning Notice” means the warning notice dated 5 March 2020 given to Helpful Law by the Authority.

## **FACTS AND MATTERS**

14. The Application was received by the Authority on 8 June 2019.

15. Further information was requested from Helpful Law under section 55U(5) of the Act.

16. Details of all relevant communications between the Authority and Helpful Law are set out below.

17. Between 19 July 2019 and 11 November 2019, the Authority sent Helpful Law five emails and two letters in an attempt to elicit information from Helpful Law that would assist the Authority in determining the Application.

18. On 19 July 2019, the Authority sent an email to Helpful Law requesting that Helpful Law provide the following information/documents in support of the Application by 2 August 2019:

- a. Business plan;
- b. Vulnerable customer policy document;
- c. Pre-contractual information document;

- d. Compliance procedure document;
- e. Client contract;
- f. Closing balance sheet;
- g. Projected monthly cash flow;
- h. Projected monthly profit and loss;
- i. Latest end of year accounts;
- j. Compliance monitoring document;
- k. Organisational structure chart; and
- l. TIF form ("The Individual Form", a form providing information about the individual at the firm who would be approved to perform an FCA Senior Management Function).

19. Helpful Law called the Authority to provide a new email address for correspondence relating to the Application, as the employee who submitted the Application had now left the firm. Helpful Law failed to provide the outstanding information by 2 August 2019.

20. On 7 August 2019, the Authority emailed Helpful Law using the new email address Helpful Law had provided, and requested that Helpful Law provide the outstanding information in support of the Application by 21 August 2019.

21. Helpful Law failed to respond by 21 August 2019.

22. On 11 October 2019, the Authority sent a letter to Helpful Law under cover of an email, noting the lack of a response to its requests for the outstanding information on 19 July 2019 and 7 August 2019. The letter informed Helpful Law that a failure to provide the outstanding information would result in the Application being determined based upon the information received to date, and that this would result in a recommendation to the RTC that it issue Helpful Law with a Warning Notice proposing to refuse the Application. Helpful Law failed to provide the outstanding information by the stated deadline of 25 October 2019.

23. On 28 October 2019, the Authority sent a letter to Helpful Law by email and Royal Mail Signed For post, noting the lack of a response to its requests for information. The letter informed Helpful Law that a failure to provide the outstanding information would result in the Application being determined based upon the information received to date, and that this would result in a recommendation to the RTC that it issue Helpful Law with a Warning Notice proposing to refuse the Application. The letter was confirmed as delivered on 1 November 2019. Helpful Law failed to provide the outstanding information by the stated deadline of 9 November 2019.

24. On 11 November 2019, the Authority sent a letter to Helpful Law by email and Royal Mail Signed For post, noting the lack of a response to its requests for the information. The letter informed Helpful Law that a failure to provide the outstanding information would result in the Application being determined based upon the information received to date, and that this would result in a recommendation to the RTC that it issue Helpful Law with

a Warning Notice proposing to refuse the Application. The letter was confirmed as delivered on 14 November 2019. Helpful Law failed to provide the outstanding information by the stated deadline of 25 November 2019.

25. On 23 January 2020, the Authority attempted to call Helpful Law using the telephone number provided in the Application. There was no response, and no way to leave a message.

## **IMPACT ON THRESHOLD CONDITIONS**

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

27. Helpful Law has failed to respond to five separate requests for the provision of information considered by the Authority to be necessary to allow the Application to be determined. These requests were made over a three-month period and included a statement to the effect that Helpful Law must contact the Authority, or the Authority would recommend to the RTC that Helpful Law should be given a Warning Notice.

28. 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 Helpful Law satisfies, and will continue to satisfy, the threshold conditions.

29. 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 has raised concerns that Helpful Law would fail to do so if the Application were to be granted.

30. The failure to provide the information has raised concerns as to whether Helpful Law:

- a. can be effectively supervised by the Authority, as required by threshold condition 2C (Effective supervision);
- b. has appropriate human resources, given Helpful Law's failure to provide the Authority with the requested information, as required by threshold condition 2D (Appropriate resources); and
- c. will conduct its business with integrity and in compliance with proper standards, as required by threshold condition 2E (Suitability).

31. In particular, the Authority repeatedly asked Helpful Law for twelve types of information/documents which were necessary for the Authority to determine the Application. The information requested included details of Helpful Law's compliance procedures, client contracts and projected profit and loss. The Authority needed this information to assess any risks Helpful Law's business would pose to UK consumers, and determine whether Helpful Law could run a viable claims management business in compliance with the Authority's requirements. The Authority routinely asks for the types of information requested in order to supervise regulated firms effectively. The firm had six months to respond to the Authority's requests. In circumstances where Helpful Law received the requests for information, and failed to respond in any way to them, the Authority has serious concerns about the firm's suitability, resources and ability to be supervised effectively. Helpful Law does not appear to be ready, willing and organised to comply on a continuing basis with the requirements and standards under the regulatory

system which would apply if the Application is successful and the firm is granted Part 4A permission.

32. In view of the above, the Authority cannot ensure Helpful Law satisfies, and will continue to satisfy, the threshold conditions that would apply to it were the Application to be 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 Dawn Henri, Manager, Lending and Intermediaries Department at the Authority (direct line: 020 7066 1587/email: [dawn.henri@fca.org.uk](mailto:dawn.henri@fca.org.uk)).

**Hilary Bourne**  
**on behalf of the Regulatory Transactions Committee**

## **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)(c) 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.