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## FINAL NOTICE

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**Prestige First Ltd**  
**11 Forth Street**  
**Glasgow**  
**G41 2SP**

3 June 2021

### **ACTION**

1. By an application dated 31 May 2019 ("the Application"), Prestige First Ltd ("Prestige First") applied under section 55A of the Act for Part 4A permission to carry on the regulated activities of:
  - a. seeking out, referrals and identification of claims or potential claims (personal injury claims; financial services or financial product claims; housing disrepair claim; claim for a specified benefit; criminal injury claim; employment related claim);
  - b. advice, investigation or representation in relation to a personal injury claim; and
  - c. advice, investigation or representation in relation to a criminal injury claim.
2. The Application is incomplete.
3. The Authority has refused the Application.

### **SUMMARY OF REASONS**

4. By its Warning Notice dated 15 February 2021, the Authority gave notice to Prestige First that it proposed to refuse the Application and that Prestige First was entitled to make representations to the Authority about that proposed action.

5. As no representations were received by the Authority from Prestige First 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 Prestige First a Decision Notice.
6. By its Decision Notice dated 16 March 2021, the Authority gave Prestige First notice that it had decided to take the action described above.
7. Prestige First had 28 days from the date the Decision Notice was given to refer the matter to the Upper Tribunal. On 29 March 2021, Prestige First referred the Decision Notice to the Upper Tribunal.
8. On 20 May 2021, Prestige First withdrew its reference to the Upper Tribunal.
9. Under section 390(1) of the Act, the Authority, having decided to refuse the Application and Prestige First having withdrawn its reference to the Upper Tribunal, must give Prestige First a final notice of its refusal.
10. Prestige First failed to respond substantively to 20 written requests for information reasonably considered by the Authority to be necessary to enable the Authority to determine the Application. These requests were made over a 56 week period. The last request included a statement that Prestige First must contact the Authority or the Authority would recommend to the Authority's Regulatory Transactions Committee that it give Prestige First a Warning Notice proposing to refuse the Application. Prestige First failed to provide the outstanding information in full within the deadlines set by the Authority or to date.
11. 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 Prestige First satisfies, and will continue to satisfy, the threshold conditions for which the Authority is responsible.
12. 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 Prestige First would fail to do so if the Application were to be granted.
13. The failure to provide the information raises concerns as to whether Prestige First:
  - a. can be effectively supervised by the Authority as required by threshold condition 2C (Effective supervision);
  - b. has appropriate human resources, given Prestige First'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**

14. 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 16 March 2021 given to Prestige First by the Authority;

“LASPO” means the Legal Aid, Sentencing and Punishment of Offenders Act 2012;

“the pandemic” means the COVID-19 pandemic;

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

“SMCR” means the Authority’s Senior Managers and Certification Regime;

“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 15 February 2021 given to Prestige First by the Authority.

## **FACTS AND MATTERS**

15. The Application was received by the Authority on 31 May 2019.
16. Further information was requested from Prestige First under section 55U(5) of the Act.
17. Details of all relevant communications between the Authority and Prestige First are set out below.
18. Between 11 July 2019 and 12 August 2020, the Authority sent Prestige First 17 emails and 3 letters and made 7 telephone calls in an attempt to obtain information from Prestige First that the Authority reasonably considered to be necessary to enable the Authority to determine the Application.
19. On 11 July 2019, the Authority sent an email to Prestige First requesting that Prestige First provide the following information in support of the Application by 25 July 2019:
  - a. Prestige First’s vulnerable customer policy;
  - b. Pre-contractual information provided to Prestige First’s clients;
  - c. A copy of the contract provided to Prestige First’s clients;
  - d. Prestige First’s opening balance sheet;

- e. Prestige First's forecast closing balance sheet for its first 12 months trading as a regulated firm;
  - f. Prestige First's monthly cash flow forecast for its first 12 months trading as a regulated firm;
  - g. Prestige's monthly profit and loss forecast for its first 12 months trading as a regulated firm;
  - h. Prestige First's year-end accounts;
  - i. Prestige First's compliance procedures policy; and
  - j. Prestige First's compliance monitoring policy.
20. On 23 July 2019, Prestige First sent an email to the Authority stating that it was taking longer than expected to gather the information requested on 11 July 2019 and Prestige First's accountant was not available to assist until the end of August. Prestige First therefore did not provide the information by 25 July 2019. The Authority responded to Prestige First by email on the same day stating that the Authority would not be able to process the Application without the information and asked Prestige First to send it as a matter of urgency.
21. On 25 September 2019, the Authority sent an email to Prestige First noting the lack of response to its request for the information requested on 11 July 2019. The email informed Prestige First 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 Prestige First with a Warning Notice proposing to refuse the Application. The Authority asked Prestige First provide the information by 9 October 2019. Prestige First failed to provide the information by this deadline.
22. On 10 October 2019, the Authority sent a letter to Prestige First by email and recorded delivery, noting the lack of a response to its requests for information on 11 July and 25 September. The letter requested that the information be provided by 24 October 2019. The letter also informed Prestige First 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 give Prestige First a Warning Notice proposing to refuse the Application.
23. On 10 October 2019, Prestige First contacted the Authority by email apologising for the lack of response to the Authority's requests and stating that Prestige First had been undergoing a restructure. This email attached Prestige First's vulnerable customer policy and compliance monitoring programme and noted its intention to provide the remaining documents before the deadline of 24 October 2019. Prestige First did not provide the information by this deadline.
24. On 25 October 2019, the Authority sent a letter to Prestige First by email and recorded delivery, noting the lack of a response to its requests for information as set out in the letter dated 10 October 2019. The Authority requested that the outstanding information be provided by 8 November 2019. The Authority also stated 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 Prestige First with a Warning Notice proposing to refuse the Application.

25. On 25 October 2019, Prestige First contacted the Authority by email apologising for the delays and stating that the outstanding information would be provided to the Authority by 8 November 2019.
26. On 7 November 2019, Prestige First contacted the Authority by email attaching amended an amended compliance policy and vulnerable customer policy, and stating that the financial documents requested on 11 July 2019 would be provided the following day.
27. On 8 November 2019, Prestige First contacted the Authority by email attaching its most recent terms and conditions, management accounts for 2019, cash flow statement and financial projections.
28. On 9 December 2019, the Authority sent an email to Prestige First seeking to arrange a telephone call to discuss the Application and the outstanding information, including Prestige First's compliance procedures and pre-contractual information. The Authority asked Prestige First to confirm its availability by close of business the following day.
29. On 17 December 2019, the Authority sent a further email to Prestige First arranging for a telephone call to take place on 20 December 2019 to discuss the outstanding information. However, Prestige First was not available at the time scheduled for the call.
30. On 7 January 2020, the Authority called Prestige First and left a voicemail message stating that Prestige First needed to provide the outstanding information urgently.
31. On 23 January 2020, the Authority sent an email to Prestige First setting out a number of deficiencies with the Application, and requesting that Prestige First provide the following information by 6 February 2020:
  - a. a revised business plan covering topics such as Prestige First's source(s) of clients and risks to Prestige First's business;
  - b. details of the panel solicitors to whom Prestige First referred clients;
  - c. details of the typical 'customer journey' for Prestige First's clients;
  - d. details of how Prestige First ensured it complied with its obligations under LASPO;
  - e. details of how Prestige First generated income from its business activities;
  - f. the number of claims Prestige First was currently handling;
  - g. a revised vulnerable customer policy addressing the Authority's expectation that Prestige First should proactively identify vulnerable customers;
  - h. a pre-contractual summary information document as required by CMC0B 4;
  - i. details of Prestige First's working relationship with 2 firms of solicitors described as "outsourcing firms" in the Application;

- j. Prestige First's compliance procedures and a revised compliance monitoring programme describing the nature and frequency of compliance checks;
  - k. confirmation that Prestige First's website stated Prestige First was regulated by the Authority and was a claims management company, as required by GEN 4 and CMCOB 3.2.4 R respectively;
  - l. the CV of Prestige First's sole director;
  - m. Prestige First's organisational structure;
  - n. details of how Prestige First would meet its prudential resources requirement under CMCOB 7.2.2 R;
  - o. additional authorisation forms for Prestige First's director required under the SMCR; and
  - p. revised terms and conditions compliant with the Authority's requirements in CMCOB.
32. On 31 January 2020, the Authority called Prestige First. The Authority was informed by a staff member of Prestige First that Prestige First's director was not currently in the office and so could not provide the outstanding information to the Authority.
33. On 6 February 2020, the Authority made a further telephone call to Prestige First and was informed by a staff member of Prestige First that Prestige First's director was currently unavailable to take the telephone call. The Authority informed the Prestige First staff member that the Director should return the call urgently. However, no return call was received by the Authority.
34. On 10 February 2020, Prestige First contacted the Authority by email providing a partial response to the request for information on 23 January 2020. Prestige First provided:
- a. information on how Prestige First acquired clients;
  - b. details of how Prestige First generated income;
  - c. details of the solicitors to whom Prestige First referred clients;
  - d. details of the customer journey for Prestige First's clients;
  - e. the steps Prestige First had taken to ensure compliance with its obligations under LASPO;
  - f. the number of claims Prestige First was handling;
  - g. information concerning Prestige First's vulnerable customer policy;
  - h. confirmation that Prestige First was no longer seeking to carry out the 'Advice, investigation or representation' regulated activities described in the Application, and therefore CMCOB 4 did not apply;
  - i. confirmation that Prestige First intended to hire a website designer and work on the website that month;

- j. a list of the types of staff working at Prestige First;
  - k. revised terms and conditions; and
  - l. information concerning Prestige First's compliance monitoring programme.
35. On 2 March 2020, the Authority called Prestige First. However, Prestige First's director was unavailable to take the call. Later that day at 16:15, the Authority sent an email to Prestige First noting that Prestige First had not provided all of the information requested on 23 January 2020. The Authority requested that Prestige First provide the outstanding information by 9 March 2020 and that Prestige First call the Authority to discuss the Application.
36. Prestige First then responded to the Authority's email at 16:31 on 2 March 2020. Prestige First stated it did not consider that the information provided to the Authority was insufficient and it did not wish to have a telephone call with the Authority. Prestige First stated that it would address the outstanding points from the Authority's email dated 23 January 2020 in due course. The Authority responded at 17:06 on 2 March 2020 acknowledging Prestige First's email.
37. On 4 March 2020, Prestige First sent an email to the Authority requesting an extension until 15 March 2020 to provide the remainder of the outstanding information.
38. On 10 March 2020, the Authority sent an email to Prestige First agreeing to the extension.
39. On 16 March 2020, Prestige First sent an email to the Authority providing the following documents:
- a. a revised business plan;
  - b. a pre-contractual summary information document;
  - c. revised terms and conditions;
  - d. a revised vulnerable customer policy;
  - e. a cash flow statement; and
  - f. a revised compliance monitoring programme.
40. On 17 April 2020, the Authority sent an email to Prestige First noting that there were still deficiencies with the information provided and Prestige First's website. The Authority asked Prestige First to provide its availability for a telephone call to discuss the Application on 27 April 2020. Later that day, Prestige First sent an email to the Authority attaching a statement of responsibilities and skills gap analysis for Prestige First's director. Prestige First stated that the pandemic was causing additional delays in providing information to the Authority. Prestige First did not provide its availability for a telephone call.
41. On 27 April 2020, the Authority sent an email to Prestige First noting that it had not provided its availability for a telephone call. The Authority also acknowledged the disruption caused by the pandemic, and asked Prestige First whether the telephone call could be rescheduled.

42. On 20 May 2020, the Authority attempted to call Prestige First to discuss the outstanding information. However, Prestige First's director was unavailable. A message was taken by a member of staff at Prestige First. Later that day, the Authority sent an email to Prestige First. The email noted Prestige First's failure to provide its availability for a telephone call. The Authority asked Prestige First to provide its availability for a call by 22 May 2020, and also to complete the SMCR forms originally requested on 23 January 2020. The Authority reminded Prestige First that it had the option of withdrawing the Application.
43. On 21 May 2020, Prestige First sent an email to the Authority stating that the pandemic was causing disruption to its business. The email stated that Prestige First's director was working in a very limited capacity and would try to get the outstanding information to the Authority in due course.
44. On 29 May 2020, the Authority sent an email to Prestige First requesting it to provide the following information in support of the Application by 12 June 2020:
- a. a revised vulnerable customer policy taking into account the FCA's guidance<sup>1</sup>;
  - b. confirmation that Prestige First's website had been revised to comply with CMC0B 3;
  - c. revised terms and conditions compliant with CMC0B 2;
  - d. additional authorisation forms for Prestige First's director required under SMCR;
  - e. an updated balance sheet and management accounts;
  - f. in cases where Prestige First's panel solicitors made deductions from clients' compensation payments, confirmation of how much of those deductions were received by Prestige First;
  - g. confirmation of whether Prestige First's panel solicitors sent client money to Prestige First, and if so, details of how Prestige First held and disbursed client money;
  - h. the number of referrals Prestige First made to its panel of solicitors, and the number of clients onboarded since January 2020;
  - i. details of how Prestige First had been affected by the pandemic; and
  - j. confirmation of whether Prestige First had call recording facilities.
45. On 12 June 2020, Prestige First sent an email to the Authority. The email attached a non-SMCR authorisation form for Prestige First's director dated 30 May 2019 and a revised vulnerable customer policy. Prestige First also stated that its website

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<sup>1</sup> <https://www.fca.org.uk/publication/guidance-consultation/gc19-03.pdf>



would be amended as soon as possible and that additional documents would be provided shortly.

46. On 3 August 2020, the Authority sent an email to Prestige First noting that Prestige First was yet to provide the correct SMCR forms and the remainder of the information requested in the Authority's email dated 29 May 2020. The Authority also noted that Prestige First's website had not been updated in order to comply with CMC0B 3. The Authority requested a response by 17 August 2020.
47. On 12 August 2020, the Authority called Prestige First on 2 occasions to speak to Prestige First's director about the Application but was informed by staff members at Prestige First that the director was unavailable. The Authority asked that the director call the Authority back as soon as possible regarding the Application. Prestige First did not return the Authority's telephone calls.
48. Later that day, the Authority sent Prestige First a letter by email and recorded delivery. The Authority noted that Prestige First had failed to provide the information requested by the emails of 29 May 2020 and 3 August 2020. The Authority asked that Prestige First provide the information by 26 August 2020. The letter informed Prestige First that a failure to provide the 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 give Prestige First a Warning Notice proposing to refuse the Application. Prestige First did not provide the outstanding information by the stated deadline or to date.
49. Accordingly, on 15 February 2021, the Authority gave Prestige First a Warning Notice proposing to refuse the Application. The Warning Notice was sent to the address that Prestige First had provided to the Authority. The Warning Notice explained to Prestige First that it had the right to make representations to the Authority. It further explained that any representations made would be considered by the RDC which, having considered such representations, would decide whether or not the action proposed in the Warning Notice should be taken. Prestige First was given a deadline of 10 March 2021 to make any written representations, and 3 March 2021 to inform the Authority of any intention to make oral representations.
50. Prestige First did not respond to the Warning Notice. Accordingly, on 16 March 2021, the Authority gave Prestige First a Decision Notice refusing the Application.

## **IMPACT ON THRESHOLD CONDITIONS**

51. The regulatory provisions relevant to this Final Notice are referred to in Annex A.
52. Prestige First failed to respond to 20 written requests by the Authority for the provision of information reasonably considered by the Authority to be necessary to enable the Authority to determine the Application. These requests were made over a 56-week period. The final request included a statement to the effect that Prestige First must contact the Authority, or the Authority would recommend to the RTC that it give Prestige First a Warning Notice proposing to refuse the Application.
53. 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 Prestige First satisfies, and will continue to satisfy, the threshold conditions for which the Authority is responsible.

54. 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 Prestige First would fail to do so if the Application were to be granted.

55. The failure to provide the information raises concerns as to whether Prestige First:

- a. can be effectively supervised by the Authority as required by threshold condition 2C;
- b. has appropriate human resources, given Prestige First'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.

### **IMPORTANT NOTICES**

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

### **Publication**

57. 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.

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

### **Authority contacts**

59. For more information concerning this matter generally, contact Greg Williams, Manager, Claims Management Companies Department at the Authority (direct line: 020 7066 1475/email: [Greg.Williams@fca.org.uk](mailto:Greg.Williams@fca.org.uk)).

**Paul Williams**  
**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 Prestige First 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 Prestige First has, or will have, permission in the context of its ability to supervise Prestige First 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 Prestige First 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 Prestige First 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 Prestige First 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 Prestige First 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 Prestige First 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 Prestige First's position within a UK or international group, information provided by overseas regulators about Prestige First, and Prestige First'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 Prestige First 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 Prestige First 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 Prestige First has permission, or is seeking permission, to carry on.