
FINAL NOTICE

**Quality Cars Poole Limited
6 West Road
Bournemouth
Dorset
England
BH5 2AL**

ACTION

1. By an application dated 30 October 2019 ("the Application"), Quality Cars Poole Limited ("QCPL") applied under section 55A of the Act for Part 4A permission to carry on the regulated activities of:
 - a. Limited permission lending;
 - b. Consumer hire;
 - c. Limited permission credit broking; and
 - d. Broking of consumer hire and hire purchase.
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 dated 18 February 2021, the Authority gave notice that it proposed to refuse the Application and that QCPL was entitled to make representations to the Authority about that proposed action.

5. As no representations were received by the Authority from QCPL 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 QCPL a Decision Notice.
6. By its Decision Notice dated 6 May 2021, the Authority gave QCPL notice that it had decided to take the action described above.
7. QCPL 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 QCPL final notice of its refusal.
9. QCPL has failed to respond to four requests for the provision of information considered by the Authority to be necessary to allow the Application to be determined. The last request included a statement to the effect that QCPL must contact the Authority within 10 business days, or the Authority would recommend to the Authority's Regulatory Transactions Committee that QCPL receive a Warning Notice. No response was received.
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 QCPL satisfies, and will continue to satisfy, the threshold conditions set out in schedule 6 to the Act.
11. Authorised firms, and those seeking authorisation, are expected to engage with the Authority in an open and co-operative way. The failure to provide the requested information raises concerns that QCPL would fail to do so if the Application were to be granted.
12. The failure to provide the information raises concerns as to whether QCPL:
 - a. can be effectively supervised by the Authority as required by threshold condition 2C (Effective Supervision);
 - b. has appropriate human resources, given QCPL'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

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 notice dated 6 May 2021 given to QCPL by the Authority;

"the RDC" means the Regulatory Decisions Committee;

"the RTC" means the 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 notice dated 18 February 2021 given to QCPL by the Authority.

FACTS AND MATTERS

13. The Application was received by the Authority on 30 October 2019.

14. Further information was requested from QCPL under section 55U(5) of the Act.

15. Details of the relevant communications between the Authority and QCPL are set out below.

16. Between 6 January 2020 and 15 October 2020, the Authority sent QCPL 8 emails, 2 letters and made 12 telephone calls to elicit information from QCPL that would assist the Authority in determining the Application.

17. On 6 January 2020, the Authority emailed QCPL to request, by 20 January 2020, that QCPL:

- a. review the definition of an 'Appointed Representative' and confirm if it intends to appoint any Appointed Representatives;
- b. clarify the business activities it intends to engage in and confirm the permissions applied for including confirmation of whether it intends to offer part exchange on goods, along with considering applying for the additional regulated activities of 'Limited Permission debt adjusting' and 'Limited Permission debt counselling';
- c. review and confirm that it has no objection to the Authority updating its name on the application to match the registered name on Companies House;
- d. provide proof of address by either submitting a utility bill or bank statement; and
- e. provide further information in relation to the disclosure made by QCPL in its Form A application.

18. On 17 January 2020, the Authority received a voicemail from the named contact for the firm, the director of QCPL at the time, requesting a call back. On 17

January 2020, the Authority attempted to contact QCPL by telephone. The call was not answered and a voicemail was left requesting QCPL contact the Authority.

19. QCPL failed to provide the information outlined in paragraph 17 by 20 January 2020.
20. On 21 January 2020, QCPL emailed the Authority requesting the Authority to call QCPL.
21. On 28 January 2020, the Authority contacted QCPL using the telephone number provided in QCPL's email dated 21 January 2020. QCPL informed the Authority that it would like to replicate the permission profile of another authorised firm of which the named person linked to QCPL was the sole approved person of, which had had its authorisation revoked on 29 January 2019. The Authority also repeated its request for the information requested in its email dated 6 January 2020, but the individual explained to the Authority that he was not best placed to answer those questions and provided the Authority with an alternative number for the Director of QCPL.
22. On 28 January 2020, the Authority emailed QCPL noting the earlier telephone call on 28 January 2020 and requested that QCPL provide the outstanding information by 31 January 2020.
23. On 31 January 2020, QCPL emailed the Authority explaining that it had attempted to contact the Authority by telephone but that the call had been diverted to voicemail. Separately, QCPL explained why the authorised firm referred to in paragraph 21 above had had its authorisation revoked and provided further information in relation to paragraph 17(e) above.
24. On 4 February 2020, the Authority emailed QCPL, noting that QCPL had not responded substantially to all of the requests for information in the Authority's email dated 6 January 2020. The Authority requested the outstanding information, namely the information in relation to paragraphs 17(b), 17(c) and 17(d), by 11 February 2020. QCPL failed to provide the outstanding information.
25. On 18 February 2020, the Authority attempted to contact QCPL by telephone using the contact details provided in the Application, but the call was not answered and a voicemail was left requesting QCPL contact the Authority.
26. On 10 March 2020, the Authority attempted to contact QCPL again by telephone using the Director's personal mobile number. The call was not answered and a voicemail was left requesting QCPL contact the Authority. On the same day, the Authority emailed QCPL requesting that it provide the outstanding information in the Authority's email dated 4 February 2020. The Authority requested the outstanding information by 24 March 2020. QCPL failed to provide the outstanding information.
27. On 31 March 2020, the Authority sent a letter to QCPL by way of email, noting the lack of response to its request for information on 4 February 2020 and requested that QCPL provide the outstanding information by 14 April 2020. The letter also informed QCPL 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 QCPL a warning notice proposing to refuse the Application. QCPL failed to respond to this request.

28. On 1 April 2020, the Authority attempted to contact QCPL by telephone using the contact details in the Application. The call was not answered and a voicemail was left. On the same day, the Authority conducted an open search on QCPL and attempted to contact QCPL using the telephone number and email address identified from the open search results. The Authority requested that QCPL contacted the Authority by 8 April 2020. QCPL failed to respond.
29. On 4 June 2020, the Authority attempted to contact QCPL by telephone using the contact details provided in the Application. The call was not answered and a voicemail was left requesting QCPL contact the Authority.
30. On 1 October 2020, the Authority noted from Companies House that the Director who had submitted the Application on behalf of QCPL, had resigned on 18 February 2020 and a new Director had been appointed on 31 July 2020. The registered office address had also been changed since the Application was submitted. The Authority was not informed of these changes by QCPL.
31. On 8 October 2020, the Authority conducted a further open search and identified a new telephone number for QCPL. The Authority attempted to contact QCPL using the new telephone contact details. The two calls were not answered but a voicemail was left requesting QCPL contact the Authority.
32. On 15 October 2020, the Authority attempted to contact QCPL using the new telephone contact details. The call was not answered. The Authority then attempted to contact QCPL using the telephone contact details listed in the Application. The three attempts made suggested that the telephone line was busy.
33. On 15 October 2020, the Authority sent a letter to QCPL via recorded delivery (to the new registered office address) and by email. The email and letter were both addressed to the new Director and noted QCPL's lack of response to the Authority's request for information dated 4 February 2020 and requested that QCPL provide the outstanding information in support of the Application by 30 October 2020. The Authority informed QCPL 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 QCPL a Warning Notice proposing to refuse the Application. The letter was signed for by QCPL on 16 October 2020. QCPL failed to provide the outstanding information.

IMPACT ON THRESHOLD CONDITIONS

34. The regulatory provisions relevant to this Decision Notice are referred to in Annex A.
35. QCPL has failed to respond to four requests for the provision of information considered by the Authority to be necessary to allow the Application to be determined. The final request gave QCPL 10 business days to respond and included a statement to the effect that QCPL must contact the Authority, or the Authority would recommend to the RTC that QCPL receives a Warning Notice.
36. 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 QCPL satisfies, and will continue to satisfy, the threshold conditions.

37. 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 QCPL would fail to do so if the Application were to be granted.
38. The failure to provide the information means that the Authority cannot ensure that QCPL:
- a. can be effectively supervised by the Authority as required by threshold condition 2C;
 - b. has the appropriate human resources, given QCPL'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

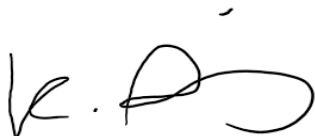
39. This Final Notice is given under section 390(1) of the Act.

Publication

40. 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.
41. The Authority intends to publish such information about the matter to which this Final Notice relates as it considers appropriate.

Authority contacts

42. For more information concerning this matter generally, contact Nozrul Ali, Manager, Credit and Mortgage Intermediaries at the Authority (direct line: 020 7066 4792 / email: Nozrul.Ali@fca.org.uk).



Karen Avis
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’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.

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.