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## FINAL NOTICE

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**To:** **Rock & Co. Granite Limited**

**Address:** **9 Merchant Drive Mead Lane  
Hertford  
Hertfordshire  
SG13 7BH**

**FRN:** **752956**

**Dated:** **25 April 2018**

### **ACTION**

1. For the reasons set out in this Final Notice, the Authority hereby takes the following action against RCG.
2. The Authority issued to RCG the Decision Notice which notified RCG that, for the reasons given below and pursuant to section 55J of the Act, the Authority had decided to cancel RCG's Part 4A permission.
3. RCG has not referred the matter to the Tribunal within 28 days of the date on which the Decision Notice was given to RCG.
4. Accordingly, the Authority has today cancelled RCG's Part 4A permission.

### **DEFINITIONS**

5. 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;

"RCG" means Rock & Co. Granite Limited;

"RCG's Part 4A permission" means the permission granted by the Authority to RCG pursuant to Part 4A of the Act;

"the Decision Notice" means the Decision Notice given by the Authority to RCG dated 7 March 2018;

"COND" means the Threshold Conditions part of the Handbook;

"EG" means the Enforcement Guide;

"the Handbook" means the Authority's Handbook of rules and guidance;

"the Principles" means the Authority's Principles for Businesses;

"the suitability Threshold Condition" means the threshold condition set out in paragraph 2E of Schedule 6 to the Act;

"the Threshold Conditions" means the threshold conditions set out in Schedule 6 to the Act;

"the Tribunal" means the Upper Tribunal (Tax and Chancery Chamber); and

"the Warning Notice" means the Warning Notice given by the Authority to RCG dated 8 February 2018.

#### **RELEVANT STATUTORY PROVISIONS**

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

#### **FACTS AND MATTERS RELIED ON**

7. RCG was authorised by the Authority on 10 October 2016 to conduct consumer credit activities.
8. RCG has failed to co-operate with the Authority in that it has failed to respond to repeated Authority correspondence requesting that RCG take specific actions, including updating its contact details on the Authority's records.

#### **FAILINGS**

9. The Authority has concluded, on the basis of the facts and matters described above, that:
  - a. by failing to respond to the Authority's correspondence, and in particular, the Authority's requested for information and for RCG to take specific actions, RCG is failing to comply with Principle 11 (which requires a firm to deal with the Authority in an open and co-operative way and to disclose to the Authority appropriately anything relating to the firm of which the Authority would reasonably expect notice;
  - b. RCG is therefore not a fit and proper person having regard to all the circumstances because it is failing to satisfy the Authority that its business

is being, or will be, managed in such a way as to ensure that its affairs will be conducted in a sound and prudent manner; and

c. RCG is therefore failing to satisfy the suitability Threshold Condition.

10. Accordingly, RCG's Part 4A permission should be cancelled.

#### **DECISION MAKER**

11. The decision which gave rise to the obligation to give this Final Notice was made by the Regulatory Decisions Committee.

#### **IMPORTANT**

12. This Final Notice is given to RCG in accordance with section 390(1) of the Act.

#### **Publicity**

13. 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 publication would, in the opinion of the Authority, be unfair to RCG or prejudicial to the interest of consumers.

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

#### **Authority Contact**

15. For more information concerning this matter generally, RCG should contact Tania Dratcu at the Authority (direct line: 020 7066 6764).



**Anna Couzens**  
**Enforcement and Market Oversight Division**

## **ANNEX**

### **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. The Authority is authorised by section 55J of the Act to cancel an authorised person's Part 4A permission, where it appears to the Authority that such a person is failing to satisfy the Threshold Conditions.
3. The suitability Threshold Condition provides, in relation to a person ("A") carrying on or seeking to carry on regulated activities which do not consist of or include a PRA-regulated activity, that:

"A must be a fit and proper person, having regard to all the circumstances, including-

[...]

(f) whether A's business is being, or is to be, managed in such a way as to ensure that its affairs will be conducted in a sound and prudent manner."

### **RELEVANT HANDBOOK PROVISIONS**

4. In exercising its power to cancel a firm's Part 4A permission, the Authority must have regard to the regulatory requirements and guidance published in the Handbook and in regulatory guides, such as EG. The relevant main considerations in relation to the action specified above are set out below.

#### **Relevant Principle**

5. Principle 11 requires a firm to deal with its regulators in an open and co-operative way, and to disclose to the Authority appropriately anything relating to the firm of which the Authority would reasonably expect notice.

#### **Guidance concerning the suitability Threshold Condition**

6. Guidance on the suitability Threshold Condition is set out in COND.

##### COND 2.5 – Suitability: Paragraph 2E of Schedule 6 to the Act

7. COND 2.5.1AUK reproduces the relevant statutory provision that a person concerned must be a fit and proper person having regard to all the circumstances, including, amongst other things, the need to ensure that its business is being, or is to be, managed in such a way as to ensure that its affairs will be conducted in a sound and prudent manner.
8. COND 2.5.1BG confirms that paragraph 2E of Schedule 6 of the Act sets out the suitability Threshold Condition for firms carrying on, or seeking to carry on, regulated activities which do not consist of or include a PRA-regulated activity.
9. COND 2.5.2G states that the Authority will take into consideration anything that could influence a firm's continuing ability to satisfy the suitability Threshold Condition.

10. COND 2.5.6G gives 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, the suitability Threshold Condition, including whether:
- the firm has been open and co-operative in all its dealings with the Authority and is ready, willing and organised to comply with the requirements and standards under the regulatory system (COND 2.5.6G(1));
  - the firm has contravened, amongst other things, the provisions of the regulatory system, which include the Principles and other rules (COND 2.5.6G(4)).

#### **OTHER RELEVANT REGULATORY PROVISIONS**

11. The Authority's policy in relation to its enforcement powers is set out in EG, certain provisions of which are summarised below.

#### **Cancelling a firm's Part 4A permission on the Authority's own initiative**

12. EG 8.1.1(1) provides that the Authority may use its own initiative power to vary or cancel the Part 4A permission of an authorised person under section 55J of the Act where the person is failing or is likely to fail to satisfy the Threshold Conditions for which the Authority is responsible.
13. EG 8.5.1(1) states that the Authority will consider cancelling a firm's Part 4A permission using its own initiative power contained in section 55J of the Act in circumstances where the Authority has very serious concerns about a firm, or the way its business is or has been conducted.
14. EG 8.5.2 provides examples of the types of circumstances in which the Authority may cancel a firm's Part 4A permission. One such example is the failure by a firm to co-operate with the Authority which is of sufficient seriousness that the Authority ceases to be satisfied that the firm is fit and proper, for example failing without reasonable excuse to provide material information or take remedial action reasonably required by the Authority (EG 8.5.2(8)(b)).