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FINAL NOTICE

To: **Samsky Pay Ltd**

Address: **79 Green Street, London, E7 8JF**

FRN: **928035**

Dated: **20 February 2025**

ACTION

1. For the reasons set out in this Final Notice, the Authority hereby cancels Samsky Pay Ltd's ("the Firm") registration as a Small Payment Institution under the Payment Services Regulations 2017 ("the PSRs").
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)(h) (as applied by Regulation 15) of the PSRs, 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. Based on the facts and matters described below, the Authority considers that the cancellation of the Firm's registration is desirable in order to protect the interests of consumers. This is because the Firm has failed to adequately deal with the Authority in an open and co-operative way since it was issued with a First Supervisory Notice ("FSN") on 29 June 2023, or since it was subsequently issued a Secondary Supervisory Notice ("SSN") on 26 July 2023.
6. Accordingly, the Firm has not provided any indication that it has, or is ready, willing and organised to remediate the issues which resulted in the FSN and SSN being issued to the Firm, and that, following any such remediation, it will operate its business in compliance with regulatory standards, with appropriate systems and controls being put in place to ensure those issues do not reoccur in the future.
7. Furthermore, the Firm has not provided any information to the FCA to demonstrate that it has taken steps to address the seven customers complaints made in respect of the Firm's past money remittance business, or to provide potential redress to these customers. Similarly, the Firm has not appropriately addressed the concerns raised regarding the two consumers who entered into investments through the Firm and may have suffered financial losses.
8. Finally, the Firm continues to not be permitted to provide payment services following the variation of its registration under the FSN and has not applied to cancel its registration.

DEFINITIONS

9. 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 10 January 2025;

"DEPP" means the Authority's Decision Procedure and Penalties manual;

"EDM" means the Executive Decision Maker of the Authority (see further under Procedural Matters below);

"EG" means the Authority's Enforcement Guide;

"the Firm" means Samsky Pay Limited;

"the FSN" means the First Supervisory Notice issued to the Firm on 29 June 2023;

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

“the OIVOP & OIREQ Application” means the Own Initiative Variation of Permissions and Own Initiative Requirement Application dated 28 June 2023 and sent to Samsky 29 June 2023 with the FSN;

“PRIN” or “the Principles” means the Authority’s Principles for Business;

“the PSRs” means the Payment Services Regulations 2017;

“SPI” means Small Payment Institution as defined in Regulation 2(1) of the PSRs;

“the SSN” means the Secondary Supervisory Notice issued to the Firm on 26 July 2023; and

“The Tribunal” means the Upper Tribunal (Tax and Chancery Chamber).

RELEVANT STATUTORY PROVISIONS

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

FACTS AND MATTERS RELIED ON

11. On 14 June 2021, the Firm was registered by the Authority as an SPI under the PSRs to provide money remittance services.
12. Once registered by the Authority, the Firm is required to abide by the PSRs and the Principles for Businesses, including the requirement under Principle 11 to *“...deal with its regulators in an open and cooperative way...”*.
13. On 29 June 2023, the Authority issued a FSN to the Firm. Under the FSN, the Firm’s registration as a SPI was varied to;
 - a. Remove the money remittance payment service which the Firm had been permitted to provide under its registration; and
 - b. Impose a number of requirements.
14. Under the requirements, the Firm was required to, amongst other things;
 - a. by 5:00pm on 3 July 2023, remove, or where this is not practicable, use its best endeavors to secure the removal of, any advertising and financial promotions it currently has live, in whatever form they may take. This included, but was not limited to, the Firm’s website and mobile phone app, videos on social media platforms; and
 - b. not issue or publish any advertising or financial promotions in relation to payment services, money service business, regulated activities, or electronic money. This included, but was not limited to advertising or publication on the website, and social media channels; and
 - c. provide written confirmation to the Authority that it had complied with those requirements by 5:00pm on 3 July 2023, together with a list of all advertising and

financial promotions removed.

15. The variation of the Firm's registration was imposed because that the Authority had serious concerns that the Firm had conducted unregulated investment activities with certain customers, and that the Firm was offering payment and other services for which it was not authorised. These included that the Firm:
 - a. had acted outside of its permissions by offering payment and other financial services for which it was not authorised, included advertising as a bank and offering digital banking services such as current accounts and direct debit transfers, which was potentially misleading to consumers;
 - b. carried on investment activities with two consumers, which it was not authorised or permitted to do by the Authority, resulting in those consumers suffering significant financial losses; and
 - c. had received complaints from seven consumers regarding money remittance processed by the Firm not having reached its destination.
16. A chronology of events leading to the issuing of the FSN is summarized as follows;
 - a. On 30 January 2023, a consumer contacted the Authority to report concerns regarding an investment in the Firm. When the consumer requested the investment back the Firm failed to redress the consumer.
 - b. The Authority then received a report from second consumer raising concerns regarding an investment in the Firm.
 - c. The Authority subsequently identified that since September 2022, seven other consumers had been in contact requesting information or reporting concerns regarding the Firm.
 - d. On 25 May 2023, the Authority identified that the Firm was offering payment and other financial services for which it was not authorised, as per paragraph 15a above.
 - e. On 29 June 2023, the Authority issued the FSN along with the OIVOP & OIREQ Application document.
17. Between 29 June 2023 and 19 July 2023, the Firm made representations to the Authority regarding the FSN. The Authority considered those representations inadequate because, amongst other things, they failed to properly address the substantive issues set out in the FSN and failed to demonstrate that the consumer complaints had been dealt with by the Firm in a suitable manner or that funds had been returned. The Authority concluded that the Requirements imposed by the FSA should not be rescinded.
18. Therefore, on 26 July 2023 a SSN was issued to the Firm. This set out that the removal of the Firm's money remittance payment service and the imposition of the requirements detailed in the FSN had not been rescinded.
19. On 11 September 2023, the Firm responded to the Authority advising that it had "*removed all these services on the website for which I do not have permission*" and "*removed all the*

contents and shut down website and all our social media platforms." The Firm also stated that there is "a proper policy to deal with customer complaints" and that the issues in connection to the investment, as per paragraph 15a above was a "misunderstanding" as the monies were a loan, not an investment, which was typed on the Firms letterheaded paper.

20. The Authority responded on 22 September 2023 advising that, at that time, the Firm appeared to be in breach of one of the requirements imposed by the FSN, and, that the explanations provided by the Firm in response to the issues that led the Authority imposing the FSN were not accepted. The Firm was asked as a matter of urgency to confirm that it had adhered with the requirements imposed and also asked to explain any steps taken to reimburse customers. No response was received, and the matter was subsequently referred to Enforcement.
21. On 19 July 2024 Enforcement issued a Letter Before Action to the Firm which asked the Firm to respond to the concerns set out and also provided an opportunity to voluntarily cancel its registration by 2 August 2024.
22. The Firm responded on 2 August 2024 referencing its previous representations of 11 September 2023, but offering no new information. Enforcement replied on 6 August 2024 confirming that the Firm's representations of 11 September 2023 had not been accepted, and, advised that Enforcement would therefore proceed with its recommendation to cancel the Firm's registration.
23. As a result, the Authority considers there is evidence that the cancellation of the Firms registration is desirable in order to protect the interests of consumers.

FAILINGS

24. From the facts and matters set out above, the Authority considers that:
 - a. In breach of Principle 11, the Firm has failed to adequately deal with the Authority in an open and cooperative way.
 - b. The Firm has not provided any indication that it has, or is ready, willing, and organised to remediate the issues which resulted in the FSN and SSN being issued to the Firm.
 - c. The Firm has failed to assure the Authority that, following any such remediation, it will operate its business in compliance with regulatory standards, with appropriate systems and controls being put in place to ensure those issues do not reoccur in the future.
 - d. The Firm has not provided any information to the Authority to demonstrate that it has taken steps to address the seven customers complaints made in respect of the Firm's past money remittance business, or to provide potential redress to these customers. Similarly, the Firm has not appropriately addressed the concerns raised regarding the

two consumers who entered into investments through the Firm and may have suffered financial losses.

- e. Finally, the Firm continues to not be permitted to provide payment services following the variation of its registration under the FSN and has not applied to cancel its registration.

25. For the reasons set out in this Notice, the Authority has cancelled the Firm's registration as a SPI, pursuant to Regulation 10(1)(h) (as applied by Regulation 15) of the PSRs.

PROCEDURAL MATTERS

26. This Final Notice is given to the Firm in accordance with section 390 of the Act (as applied by paragraph 10 of Schedule 6 of the PSRs).

Decision maker

27. 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

28. Sections 391(4), 391(6) and 391(7) of the Act (as applied by paragraph 10 of Schedule 6 of the PSRs) 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.

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

Authority contact

30. For more information concerning this matter generally, the Firm should contact [case officer name] at the Authority (direct line: 020 7066 0245 / email: stuart.doyle@fca.org.uk).

Jeremy Parkinson
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. Regulation 15 of the PSRs provides:

"Regulations 7 to 12 apply to registration as a small payment institution as they apply to authorisation as a payment institution as if—

(a) references to authorisation were references to registration;

[...]."
3. Regulation 10(1)(h) (as applied by regulation 15) of the PSRs gives the Authority the power to cancel the registration of a small payment institution where the cancellation is desirable in order to protect the interests of consumers.

RELEVANT HANDBOOK PROVISIONS

4. In exercising its powers to cancel the registration of a small payment institution, the Authority must have regard to guidance published in the Handbook and in regulatory guides, such as PRIN and EG. The main considerations relevant to the action stated in the Warning Notice are set out below.
5. The relevant Principles for Business are set out in PRIN 2.1.1R. Principle 11 of PRIN (Relations with Regulators) requires a firm to deal with its regulators in an open and cooperative way, and must disclose the FCA appropriately anything relating to the firm of which that regulator would reasonably expect notice.
6. The Authority's policy in relation to exercising its enforcement powers is set out in EG, the relevant provisions of which are summarised below.
7. EG 19.20.2 provides that the Authority's approach to enforcing the PSRs will mirror its general approach to enforcing the Act.
8. EG 19.20.5 provides that, in relation to the PSRs, 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. The statutory grounds in Section 55J of the Act for cancelling a firm's Part 4A permission include where the firm no longer satisfies the Threshold Conditions, the minimum standards a firm is required to meet to obtain and retain its Part 4A permission.