
FINAL NOTICE

Start Your Claims Ltd
Suite 502 275 Deansgate
Manchester
M3 4EL

ACTION

1. By an application dated 31 July 2019 ("the Application"), Start Your Claims Ltd ("SYCL") applied under section 55A of the Act for Part 4A permission to carry on the regulated activity of:
 - i. 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).
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 1 February 2021 ("the Warning Notice") the Authority gave notice that it proposed to refuse the Application and that SYCL was entitled to make representations to the Authority about that proposed action.
5. As no representations were received by the Authority from SYCL 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 its Decision Notice dated 9 March 2021 ("the Decision Notice"), the Authority gave SYCL notice that it had decided to take the action described above.
7. SYCL had 28 days from the date the Decision Notice was given to refer the matter to the Upper Tribunal (formerly known as the Financial Services and Markets Tribunal). No referral was made to the Upper 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 SYCL a Final Notice of its refusal.
9. The Authority decided to refuse the Application and to give this Final Notice as SYCL failed to provide the information required by the Authority and, in the absence of the information sought, the Authority cannot ensure that SYCL will satisfy, and continue to satisfy, the threshold conditions set out in Schedule 6 of the Act.
10. SYCL failed to respond substantively, or at all, to a number of requests for information considered by the Authority to be necessary to determine the Application. The last request, sent on 6 October 2020, included a statement that SYCL must contact the Authority within 10 business days or the Authority would recommend to the Authority's Regulatory Transactions Committee ("RTC") that it give SYCL a Warning Notice proposing to refuse the Application. SYCL failed to provide the outstanding information.
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 raises concerns that SYCL would fail to do so if the Application were to be granted.
12. The failure to provide the information raises concerns as to whether SYCL:
 - a. can be effectively supervised by the Authority, as required by threshold condition 2C;
 - b. has appropriate human resources, given SYCL'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.

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 dated 31 July 2019, referred to in paragraph 1;

“the Authority” means the body corporate previously known as the Financial Services Authority and renamed on 1 April 2013 as the Financial Conduct Authority;

“the outstanding information” means the information set out in paragraph 18;

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

“the RDC” means the Authority’s Regulatory Decisions 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);

“the Warning Notice” means the warning notice dated 1 February 2021 given to SYCL by the Authority; and

“the Decision Notice” means the decision notice dated 9 March 2021 given to SYCL by the Authority.

FACTS AND MATTERS

14. The Application was received by the Authority on 31 July 2019.
15. Further information was requested from SYCL under section 55U(5) of the Act.
16. Details of all relevant communications between the Authority and SYCL are set out below:
17. Between 14 February 2020 and 6 October 2020, the Authority sent SYCL thirteen emails, two recorded delivery letters and made four telephone calls in an attempt to obtain information from SYCL that the Authority considered necessary to determine the Application. These requests were made over a 34-week period.
18. On 14 February 2020, the Authority sent an email to SYCL requesting that the firm provide the following information in support of the Application by 28 February 2020 (“the outstanding information”):
 - i. Companies House details;
 - ii. SYCL’s complaints procedures;
 - iii. SYCL’s controller forms, including confirmation as to the identity of its controller;
 - iv. SYCL’s business plan, including how the firm would acquire leads and its arrangements with third parties;
 - v. Details as to how SYCL would comply with its legal obligations concerning referral fees under the Legal Aid, Sentencing and Punishment of Offenders Act 2012;

- vi. Details as to how SYCL would be remunerated;
 - vii. An updated vulnerable customers policy;
 - viii. An up to date balance sheet;
 - ix. Confirmation of which individuals at SYCL would hold the relevant senior management functions; and
 - x. Further information relating to details provided in the Individual Forms.
19. SYCL failed to provide the outstanding information by 28 February 2020.
20. On 2 March 2020, the Authority sent an email to SYCL stating that they had not provided the outstanding information and provided a deadline of 6 March 2020 by which to respond with the outstanding information. On the same day, SYCL replied stating that they would respond to the Authority as soon as possible.
21. On 10 March 2020, the Authority received another email from SYCL advising the Authority that SYCL would endeavour to respond to the Authority's request as soon as possible.
22. The Authority emailed SYCL on 18 March 2020, requesting confirmation as to when the firm would provide the outstanding information to the Authority. On the same day, SYCL confirmed that they were awaiting feedback on their draft response to the Authority from their compliance advisors and they would chase them for an update so that SYCL could respond to the Authority. On the same day, the Authority acknowledged SYCL's email and requested that they chase their compliance advisors in order to provide the outstanding information.
23. On 1 April 2020, the Authority sent an email to SYCL stating that the outstanding information had not been provided and asked for an update on when a response could be expected. The Authority sent further emails to SYCL on 17 April 2020 and 1 May 2020 requesting an update on when the Authority could expect a response to the requests for the outstanding information. SYCL responded on 1 May 2020 advising that they had spoken to their compliance advisors the previous day and that SYCL would respond to the Authority as soon as possible.
24. On 6 May 2020, the Authority sent an email to SYCL requesting an update on their position as the outstanding information had not been received. There was no response from SYCL.
25. On 29 May 2020, the Authority attempted to call SYCL to discuss the Application, but the telephone call did not connect as some of the telephone contact details on the Application appeared to have been invalid.
26. On 8 June 2020, the Authority sent an email to SYCL requesting a response and setting out in full again the outstanding information. This email stated that SYCL needed to provide the outstanding information as a matter of urgency and that if the Covid-19 pandemic was preventing SYCL from responding then it should notify the Authority. The email also set out that if the outstanding information was not provided then the Authority would consider taking further action and the Application may be refused. There was no response from SYCL.

27. On 24 June 2020, the Authority sent a letter to SYCL by way of an email and by recorded delivery. This letter informed SYCL 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 might result in a recommendation to the RTC that it give SYCL a Warning Notice proposing to refuse the Application. The full list of the outstanding information was again provided in this letter. The Authority received confirmation that the letter was collected and signed for on 25 June 2020. The response deadline in this letter was 10 business days, therefore the outstanding information needed to be provided by 8 July 2020. SYCL failed to provide the outstanding information by the deadline set out in the letter.
28. On 21 August 2020, the Authority contacted SYCL using the mobile telephone number provided in the Application and was advised by the director that the Authority should call SYCL again on 25 August 2020, to which the Authority agreed.
29. On 25 August 2020, the Authority attempted to contact SYCL using the mobile telephone number provided in the Application. The call did not go through and there was no facility to leave a message.
30. On 2 September 2020, the Authority contacted the firm using the mobile telephone number, stating that the outstanding information had still not been received. During this telephone call, SYCL confirmed that they wished to proceed with the Application. SYCL acknowledged that they were aware that they had not provided the Authority with the outstanding information but stated that they had not received any recent communications from the Authority.
31. During the 2 September 2020 telephone call, the Authority agreed that it would resend a copy of an email which was previously sent to SYCL on 8 June 2020 and stated that if a response was not received within the time limit in the email then the Authority would consider taking further action and the Application might be refused.
32. SYCL confirmed that the email address that the prior communications were sent to remained valid. SYCL also stated that it would cooperate with the Authority's request for the outstanding information and confirmed that it understood that failure to do so would impact the progression of the Application.
33. On 7 September 2020, the Authority attached a copy of the email sent to SYCL on 8 June 2020 to a new email which was sent to the email address confirmed during the telephone call of the 2 September 2020. In this email, the Authority informed SYCL that it was important they provide a response by 21 September 2020. No response was received from SYCL by the required deadline.
34. On 25 September 2020, the Authority sent an email to SYCL stating that the absence of the outstanding information was an urgent matter and, as such, the Authority required a response from SYCL by 30 September 2020. No response was received from SYCL by the required deadline.
35. On 2 October 2020, the Authority contacted SYCL using the telephone number provided in the Application. However, the call did not go through and there was no facility to leave a voice message.

36. On 6 October 2020, the Authority sent a final letter to SYCL by way of email and recorded delivery. The letter informed SYCL 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 SYCL a Warning Notice proposing to refuse the Application. The Authority received confirmation that the letter was collected and signed for on 8 October 2020. The letter provided SYCL with a period of 10 business days within which to provide the outstanding information, therefore by 20 October 2020. SYCL failed to provide the outstanding information by the required deadline, or to date.

IMPACT ON THRESHOLD CONDITIONS

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

37. SYCL has failed to respond substantively or at all, to a number of requests for the provision of information the Authority considered necessary to determine the Application. The final request, dated 6 October 2020, gave SYCL 10 business days to respond and included a statement that SYCL must contact the Authority, or the Authority would recommend to the RTC that it give SYCL a Warning Notice proposing to refuse the Application.

38. 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 SYCL satisfies, and will continue to satisfy, in relation to all the regulated activities for which SYCL would have permission, the threshold conditions for which the Authority is responsible.

39. 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 SYCL would fail to do so if the Application were to be granted.

40. The failure to provide the information raises concerns as to whether SYCL:

a. can be effectively supervised by the Authority, as required by threshold condition 2C;

b. has appropriate human resources, given SYCL'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.

41. On the basis of the facts and matters described above, in particular the failure to provide the information sought, the Authority has concluded that it cannot ensure that SYCL will satisfy, and continue to satisfy, the threshold conditions in relation to all of the regulated activities for which SYCL would have permission if the application was granted.

IMPORTANT NOTICES

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

Publication

43. 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.
44. The Authority intends to publish such information about the matter to which this Final Notice relates as it considers appropriate.

Authority contacts

45. For more information concerning this matter generally, contact Tina Archer, Manager, Claims Management Companies Department at the Authority (direct line: 020 7066 9188 / email: tina.archer@fca.org.uk).

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’s 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: Adequate 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 Page 10 of 10 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.