
FINAL NOTICE

To: Toza Payment Technology Limited

Address: 173 Sneinton Dale, Nottingham, Nottinghamshire, NG2 4HU

FRN: 915168

Dated: 24 May 2024

ACTION

1. For the reasons set out in this Final Notice, the Authority hereby takes the following action against Toza Payment Technology Limited ("TPTL").
2. Pursuant to Regulations 10(1)(a) and 10(1)(h) (as applied by regulation 15) of the Payment Services Regulations 2017 ("PSRs"), the Authority has decided to cancel the registration granted to TPTL, as a Small Payment Institution ("SPI") under the PSRs.
3. The Authority issued to TPTL a Warning Notice and Decision Notice which notified TPTL of its decision to take the action specified above. TPTL did not make representations within 28 days of the date of the Warning Notice and has not referred the matter to the Tribunal within 28 days of the date of the Decision Notice. Accordingly, the Authority has today cancelled the registration granted to TPTL, as a SPI under the PSRs.

DEFINITIONS

4. The definitions below are used in this Decision 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 issued by the Authority to TPTL dated 12 April 2024;

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

"DISP" means the Dispute Resolution: Complaints Manual which is part of the Handbook;

"EG" means the Authority's Enforcement Guide;

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

"the PSRs" means the Payment Services Regulations 2017;

"the Return(s)" means the FSA057 for the periods ended 31 December 2023, 31 December 2022, 31 December 2021 and 31 December 2020 which were due to be submitted to the Authority by 31 January 2024, 31 January 2023, 31 January 2022 and 1 February 2021 respectively;

"SPI" means small payment institution as defined in regulation 2(1) of the PSRs;

"SUP" means the Authority's Supervision Manual, part of the Handbook;

"TPTL" means Toza Payment Technology Limited"

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

"the Warning Notice" means the warning notice given to TPTL dated 15 March 2024.

RELEVANT STATUTORY PROVISIONS

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

FACTS AND MATTERS RELIED ON

6. TPTL was registered as a SPI by the Authority on 9 April 2020.
7. SPI's are required by rules made by the Authority under the PSRs to report certain information to the Authority, by way of Return on an annual basis. The Return is made by submitting a form FSA057. The Return includes details of the payment services provided by the SPI in the preceding year.
8. Despite repeated requests and warnings to TPTL from the Authority, TPTL failed to submit the Return for each of the years 2020, 2021, 2022 and 2023. Therefore, on this basis, TPTL has failed to demonstrate a readiness and willingness to comply with its regulatory obligations and to deal with the Authority in an open and co-operative way. Furthermore, on the basis that TPTL has never submitted Returns, the Authority considers that TPTL has not provided payment services within 12 months beginning with the date on which registration took effect, nor at any point subsequently.

REASONS FOR THE ACTION

9. On the basis of the facts and matters described above, TPTL did not provide payments services within 12 months beginning with the date on which the registration took effect, nor at any point subsequently. This provides a basis for cancelling the TPTL's registration in accordance with regulation 10(1)(a) (as applied by regulation 15) of the PSRs.
10. Furthermore, TPTL has never submitted the Returns and has failed to respond to the Authority's repeated requests that it do so. Therefore, TPTL has failed to deal with the Authority in an open and co-operative way. This provides a basis for cancelling TPTL's registration in accordance with regulation 10(1)(h) (as applied by regulation 15) of the PSRs.
11. The Authority has therefore decided to cancel TPTL's registration for the reasons described above.

PROCEDURAL MATTERS

12. This Final Notice is given to TPTL in accordance with section 390(1) of the Act (as applied by paragraph 10 of Schedule 6 of the PSRs) and it is being served TPTL at the address last notified to the Authority as TPTL's principal and registered place of business.

Decision maker

13. 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

14. 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.

Authority contact

21. For more information concerning this matter generally, TPTL should contact Shamma Masud at the Authority (direct line: 020 7066 1653).

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)(a) of the PSRs (as applied by regulation 15) gives the Authority the power to cancel the registration of a small payment institution where the firm does not provide payment services within 12 months beginning with the date on which the authorisation took effect.
4. Under Regulation 10(1)(h) of the PSRs (as applied by Regulation 15), the Authority may cancel the registration of a SPI where the cancellation is desirable in order to protect the interests of consumers.
5. Regulation 109 of the PSR provides:

"(1) A person must give the [Authority] such information as the [Authority] may direct in respect of its provision of payment services or its compliance with requirements imposed by or under Parts 2 to 7 or regulation 105 (access to bank accounts).

(2) Information required under this regulation must be given at such time and in such form, and verified in such manner, as the [Authority] may direct."

RELEVANT HANDBOOK PROVISIONS

6. SUP 16.13.3D requires a small payment institution to submit to the Authority a duly completed return as set out in the table in SUP 16.13.4D.
7. The table in SUP 16.13.4D directs that a small payment institution is required to submit the FSA057 return annually, one month from 31 December each calendar year.
8. SUP 16 Annex 28C D specifies the format by which the FSA057 return is to be completed and submitted.
9. DISP 1.10B.1D provides that once a year a payment institution must provide the Authority with a complete report concerning complaints received about payment services in the format set out in DISP 1 Annex 1AD.
10. SUP 16.3.14R requires that:

"If a firm does not submit a complete report by the date on which it is due in accordance with the rules in, or referred to in, this chapter or the provisions of relevant legislation and any prescribed submission procedures, the firm must pay an administrative fee of £250."

11. In exercising its powers to cancel the registration of a SPI, the Authority must have regard to guidance published in the Handbook and in regulatory guides, such as EG. The main considerations relevant to the action stated in the Decision Notice are set out below.
12. The Authority's policy in relation to exercising its enforcement powers is set out in EG, the relevant provisions of which are summarised below.
13. EG 19.20.2 provides that the Authority's approach to enforcing the PSRs will mirror its general approach to enforcing the Act.
14. EG 19.20.5 provides that, in relation to the PSR, 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 types of circumstances in which the Authority will consider cancelling a firm's Part 4A permission under the Act include the non-submission of regulatory returns (EG 8.5.2(4)).