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FINAL NOTICE

To: **VS1 Business Services (Europe) Ltd**

Address: **21 Elmfield Road, Bromley, BR1 1LT**

FRN: **540958**

Dated: **23 March 2026**

ACTION

1. For the reasons set out in this Final Notice, the Authority hereby cancels VS1 Business Services (Europe) Ltd's ("the Firm") authorisation as an Authorised 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)(c) and 10(1)(h) 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 authorisation. The cancellation takes effect from the date of this Final Notice.

SUMMARY OF REASONS

5. On the basis of the facts and matters set out in this Notice, it appears to the Authority that the Firm is failing to demonstrate a readiness and willingness to comply with its ongoing regulatory obligations. Specifically, the Authority considers that the Firm has failed to pay overdue regulatory fees and levies owed to the Authority and submit its annual regulatory returns despite repeated requests to do so. Therefore, it is desirable to cancel the Firm's authorisation as an API in order to protect the interests of consumers.
6. The Firm has filed accounts with Companies House showing it to have been dormant since 2020. The Authority therefore considers that the Firm's authorisation should be cancelled on the basis that it has ceased to engage in any business activity for more than six months.
7. The cancellation action set out in paragraph 1 above has been imposed in order to advance the Authority's consumer protection and integrity objectives (sections 1C and 1D of the Act).

DEFINITIONS

8. The definitions below are used in this Final Notice (and in the Annex):
 - "the Act" means the Financial Services and Markets Act 2000;
 - "API" means authorised payment institution as defined by Regulation 2(1) of the PSR;
 - "the Authority" means the Financial Conduct Authority;
 - "the Decision Notice" means the Decision Notice given to the Firm on 29 January 2026;
 - "DEPP" means the Authority's Decision Procedure and Penalties manual;
 - "ENFG" means the Authority's Enforcement Guide;
 - "FEES" means the Fees Manual, part of the Handbook;
 - "The Firm" means VS1 Business Services (Europe) Ltd;
 - "FSN" means the First Supervisory Notice issued to the Firm on 23 July 2019;
 - "the general levy" means the levy a firm must pay to the Authority towards the costs of operating the compulsory jurisdiction of the Financial Ombudsman Service;
 - "the Handbook" means the Authority's Handbook of rules and guidance;
 - "the PSRs" means the Payment Services Regulations 2017;
 - "SFGB Levy" means the Single Financial Guidance Body levy;
 - "the Returns" means the FSA056 returns from 1 December 2019 to 30 November 2024 which were due to be submitted to the Authority on various dates between 14 January 2021

and 15 January 2025;

“SSN” means the Second Supervisory Notice issued to the Firm on 10 October 2019;

“SUP” means the Authority’s Supervision Manual, part of the Handbook; and

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

RELEVANT STATUTORY PROVISIONS

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

FACTS AND MATTERS

10. The Firm was authorised by the Authority on 13 June 2018 as an API under the PSRs to carry out one payment service activity, namely money remittance.
11. On 23 July 2019, the Authority issued the Firm with a FSN which notified the Firm of the Authority’s decision to vary the authorisation granted to the Firm by removing, with immediate effect, the payment service for which the Firm had been granted authorisation. The reason for this action was the Firm’s failure to satisfy the conditions for authorisation detailed in Regulations 6(6) and 6(7) of the PSRs.
12. After consideration of representations made by the firm following the FSN, the Authority decided not to rescind the variation of the Firm’s authorisation. On 10 October 2019, the Authority issued a SSN to the Firm. Accordingly, the Firm no longer holds any payment services.
13. The Firm has consistently filed accounts with Companies House showing it to have been dormant since December 2020 and therefore appears to have ceased to engage in business activity.
14. As an API that is still authorised by the Authority, the Firm is required by rules made by the Authority under the PSRs to submit the Returns on an annual basis and pay periodic fees and levies.
15. The Firm has failed to pay overdue regulatory fees and levies totaling £3,113.00 owed to the Authority, despite repeated requests to do so.

FAILINGS

16. The Authority has concluded that, on the basis of the facts and matters described above that:
 - a) the Firm’s accounts filed with Companies House show it to have been dormant since 2020 which indicates that the Firm has not conducted any business activity, including payment services since at least 2020. This provides a basis for cancelling the Firm’s

authorisation as it has ceased to engage in business activity for more than six months, in accordance with Regulation 10(1)(c) of the PSRs; and

- b) the Firm is failing to demonstrate a readiness and willingness to comply with its ongoing regulatory obligations. Specifically, the Firm has failed to pay the overdue periodic fees and levies, failed to submit the regulatory Returns and failed to respond adequately to the Authority's repeated requests that it do so. The Authority considers that the significance of the failure by the Firm to submit the Returns and pay the fees is not merely that the failure itself is material, but that it signifies a breakdown in the relationship between the Firm and the Authority, such that it appears that the Authority can reasonably conclude that the Firm may not respond adequately to future communications sent to it by the Authority and therefore it is desirable to cancel the Firm's authorisation as an API in order to protect the interests of consumers, in accordance with Regulation 10(1)(h) of the PSR.

- 17. For the reasons set out in this Notice, the Authority has cancelled the Firm's authorisation as an API, pursuant to regulation 10(1)(c) and 10(1)(h) of the PSRs.

PROCEDURAL MATTERS

- 18. 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

- 19. 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

- 20. 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.
- 21. The Authority intends to publish such information about the matter to which this Final Notice relates as it considers appropriate.

Authority contact

- 22. For more information concerning this matter generally, the Firm should contact M Alexander Bajko at the Authority (direct line: 020 7066 1838 / email: macieji.bajko@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. Under Regulation 10(1)(c) of the PSRs, the Authority may cancel the authorisation of an API where the firm ceases to engage in business activity for more than six months.
3. Under Regulation 10(1)(h) of the PSRs the Authority may cancel the authorisation of an API where the cancellation is desirable in order to protect the interests of consumers.
4. Regulation 109 of the PSRs 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."
5. Regulation 118(1) of the PSR provides:

"The functions of [the Authority] under these Regulations are to be treated for the purposes of paragraph 23 of Schedule 1ZA (fees) to [the Act] as functions conferred on [the Authority] under that Act [...]"
6. Paragraph 23(1) of Schedule 1ZA to the Act provides:

"[The Authority] may make rules providing for the payment to it of such fees, in connection with the discharge of any of its qualifying functions, as it considers will (taking account of its expected income from fees and charges provided for by any other provision of this Act) [...] enable it-

 - (a) to meet expenses incurred in carrying out its functions [other than its excepted functions] or for any incidental purpose [...]"

RELEVANT HANDBOOK PROVISIONS

7. In exercising its powers to cancel the authorisation of an API the Authority must have regard to guidance published in the Handbook and in regulatory guides, such as ENFG. The main considerations relevant to the action stated in this notice are set out below.

Fees Manual

8. The rules relating to the payment of periodic fees and levies are located in FEES, which forms part of the Handbook. The rules relevant to this matter are set out below.

Chapter 2 of FEES relates to overdue payment and recovery of unpaid fees.

9. FEES 2.2.1R provides that:

"If a person does not pay the total amount of a periodic fee, FOS levy, or share of the FSCS levy, CFEB levy or SFGB levy, TPR SFGB levy or TPR DA levy before the end of the date on which it is due, under the relevant provision in FEES 4, 4A, 5, 6, 7, 7A, 7C or 7D that person must pay an addition amount as follows:

- (1) if the fee was not paid in full before the end of the due date, an administrative fee of £250;"

10. FEES 2.2.2G states that:

"The [Authority], (for [Authority] and PRA periodic fees, FOS and FSCS levies, SFGB levies, TPR SFGB levies and a TPR DA levy), expects to issue invoices at least 30 days before the date on which the relevant amounts fall due. Accordingly, it will generally be the case that a person will have at least 30 days from the issue of the invoice before an administrative fee becomes payable."

11. FEES 2.2.4 states that:

"In addition, the [Authority] may be entitled to take regulatory action in relation to the non-payment of fees, FOS levies, SFGB levies, TPR SFGB levies and a TPR DA levy. The FCA may also take regulatory action in relation to the non-payment of a share of the FSCS levy, after reference of the matter to the FCA by the FSCS. What action (if any) that is taken by the FCA will be decided upon in the light of the particular circumstances of the case."

Chapter 4 of FEES relates to periodic fees

12. FEES 4.2.1R requires that:

"A *person* shown in column (1) of the table in *FEES 4.2.11R* as the relevant fee payer must pay each periodic fee applicable to it, calculated in accordance with the provisions referred to in column (2) of the applicable table, as adjusted by any relevant provision in this chapter:

- (1) in full and without deduction (unless permitted or required by a provision in *FEES*); and
- (2) on or before the date given in column (3) of that table, unless *FEES 4.2.10R* applies."

13. FEES 4.2.3AR provides that:

"If, in response to a request from a fee payer, [the Authority] issues a paper invoice, an administration charge of £50 per year will be added to the fee otherwise payable."

14. FEES 4.3.1R states that:

"The periodic fee payable by a *firm* (except an *AIFM qualifier*, *ICVC* or a *UCITS qualifier*) is:

- (1) each periodic fee applicable to it calculated in accordance with *FEES 4.3.3R*, using information obtained in accordance with *FEES 4.4*; plus
- (1A) any periodic fee applicable to it calculated in accordance with *FEES 4.3.3AR* using information relating to its *UK* business obtained in accordance with *FEES 4.4* (or by other means in the case of the Bank of England); less
- (2) any deductions from the periodic fee specified in Part 2 of *FEES 4 Annex 2AR* or Part 7 of *FEES 4 Annex 11R*."

15. FEES 4.3.3AR states that:

"The periodic fee referred to in FEES 4.3.1R in relation to fee-paying payment service providers, CBTL firms, data reporting services providers and fee-paying electronic money issuers is calculated in accordance with FEES 4 Annex 11 R."

Chapter 5 of FEES relates to Financial Ombudsman Service Funding.

16. FEES 5.7.1R requires that:

"A firm must pay annually to the FCA the *general levy* on or before the later of 1 April and 30 calendar days after the date when the invoice is issued by the FCA."

Chapter 7A of FEES relates to the Single Financial Guidance Body Funding

17. FEES 7A.3.1R requires that:

"A firm must pay the *SFGB money advice levy* applicable to it:

- (1) in full and without deduction (unless permitted or required by a provision in *FEES*); and
- (2) by 1 August or, if later, within 30 days of the date of the invoice in the *fee year* to which that sum relates."

The Supervision Manual

18. As of 3 June 2025, the Authority's policy in relation to the cancellation of permissions on its own initiative are set in SUP 6B.
19. SUP 6B.5.2G(4) specifies that one circumstance in which the Authority will consider using its power to cancel a firm's permission under FSMA is where the firm has failed to submit or repeatedly fails to submit regulatory returns to the Authority.
20. Chapter 16 of SUP sets out the Authority's reporting requirements.
21. SUP 16.13.3D requires an API to submit to the Authority a duly completed return as set out in the table in SUP 16.13.4D.
22. The table in SUP 16.13.4D directs that an API is required to submit the FSA056 return annually, within 30 business days of the end of the reporting period.

23. SUP 16 Annex 27C D specifies the format by which the FSA056 return is to be completed and submitted.

Chapter 6B of SUP relates to cancellation of a firm's permission to conduct regulated activities

24. The Authority's approach in relation to exercising its enforcement powers under the Act is set out in Chapter 6B of SUP, certain provisions of which are summarised below.
25. SUP 6B.5.2G provides examples of the types of circumstances in which the Authority will consider cancelling a firm's Part 4A permission on its own initiative under the Act, including non-payment of Authority fees or repeated failure to pay Authority fees except under threat of enforcement action (SUP 6B.5.2G(5)).

Chapter 16 of SUP relates to the Authority's reporting requirements.

26. In respect of late reporting fees, SUP 16.3.14R states 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."

Payment Services and Electronic Money – Our Approach

27. The Authority's general approach to enforcement under the PSRs is set out in Payment Services and Electronic Money – Our Approach dated November 2024. Paragraph 4.10 confirms that in addition to serious breaches of the PSRs or failure to meet the minimum standards to remain authorised or registered, examples of the circumstances where the Authority may cancel a registration include, but are not limited to, persistent non-payment of fees and levies owed to the Authority.

Enforcement Guide

28. The Authority's policy for the use of its enforcement powers under the PSRs is set out in Appendix 2 of the Enforcement Guide ("ENFG"), the relevant provision of which is summarised below.
29. ENFG App 2.2.2 G states that the Authority's approach to the exercise of its powers under the PSRs is consistent with the use of powers under FSMA and the Authority's general policy as explained in ENFG.