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(By email)

12 May 2017

Our Ref: FOI5108

Dear

Freedom of Information : Right to know request

We refer to your request under the Freedom of Information Act 2000 ("the Act"), for the following information:

"How many high-cost short-term credit lenders have cancelled their permission since January 2016?

How many high-cost short-term credit lenders have cancelled their permission each year for the last five years?"

Your request has now been considered.

We can confirm that six firms holding the 'high-cost short-term credit' permission were cancelled between 1 January 2016 and 30 April 2017.

In respect of the second part of your request, you may be aware that the FCA only took over responsibility for consumer credit activities from the Office of Fair Trading ('OFT') on 1 April 2014. Since then, only the six high-cost short-term credit lenders referred to above have cancelled their permission.

By way of background, before 1 April 2014 a firm offering high-cost short-term credit ('HCSTC') under the OFT's licensing regime was required to be licenced to carry out 'Consumer Credit'. However, there were no licensable categories in relation to specific kinds of lending.

When the FCA took over consumer credit activities, firms holding consumer credit licences were required to register under the interim permission regime until they became fully authorised. While operating under this regime, a firm only needed to hold permission for *'Entering into a regulated credit agreement as lender; and exercising, or having the right to exercise, the lender's rights and duties under a regulated credit agreement'* in order to offer HCSTC.

When applying for full authorisation for consumer credit activities, a firm which intends to offer HCSTC needs to request permission to carry out *'Entering into high-cost short-*

term credit as lender' and 'Exercising or having the right to exercise the lender's rights and duties in relation to high-cost short-term credit'.

We do not hold data for firms which offered HCSTC prior to them becoming fully authorised by the FCA.

Yours sincerely

Information Access Team
Financial Conduct Authority