

19 November 2019

Our Ref: FOI6852

Freedom of Information: Right to know request

Thank you for your request under the Freedom of Information Act 2000 (the Act) dated 22 October 2019, for information relating to the authorisation of peer-to-peer firms.

Your request has now been considered and we will address each point in turn.

1. *The average time it took peer-to-peer firms who already had interim permissions to apply for and receive full authorisation to be approved.*

Of the firms that held interim permission for "peer to peer lending" and who were subsequently authorised to "operate an electronic system in relation to lending", the average time to authorise the application was 634 days.

2. *I would also like to know the range of this data, i.e the longest and the shortest time between application and authorisation.*

The longest period to assess and approve one of these applications was 1,672 days. The shortest period to assess and approve one of these applications was 357 days.

3. *So long as it does not cause my request to exceed the FOI time limit, could you also disclose how many firms who had interim permissions are still applying for full authorisation?*

There are no P2P firms who hold interim permission and are still applying for full authorisation.

We note that these times are longer than we aim to determine applications and wish to provide the context around this.

From 1 April 2014, the responsibility for the regulation of consumer credit was transferred from the Office of Fair Trading (OFT) to the FCA. Firms that were previously regulated by the OFT were given interim permission to carry on consumer credit activities and given set application periods between 1 October 2014 and 31 March 2016 to send their application. At the time, we received applications from 25,643 interim permission firms. These were received in stages to manage the thousands of applications that we anticipated and later received. In the same period we received 10,939 applications from firms new to market.

All firms requesting authorisation needed to be properly considered to ensure they met our rigorous statutory standards and this was no different for P2P applications. Time to determine an application depends on the completeness of the application, the complexity of the business and the firm's demonstrated compliance with regulatory standards. We received many applications from P2P firms, one of the more complex business models, and not all of these were successful. Firms also needed to demonstrate compliance against a backdrop of changes in legislation, such as those made in early 2016, which meant there was significant work from the FCA to determine firms could meet our regulatory standards and customers were adequately protected.

If you are unhappy with the decision made in relation to your request, you have the right to request an internal review. If you wish to exercise this right you should contact the Information Disclosure Team within 40 working days of the date of this response.

If you are not content with the outcome of the internal review, you also have a right of appeal to the Information Commissioner at Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire SK9 5AF. Telephone: 01625 545 700. Website: www.ico.org.uk.