

# Application for Authorisation

## Claims Management

### Full name of applicant firm

### **Important information you should read before completing this form**

We require all applicant firms to provide these core details as part of their application for authorisation (known as Part 4A permission).

Please keep a copy of the forms you complete and the supporting documents that you include with this application pack for future reference.

The notes that accompany this form will help you complete the questions. They also explain why we require the information we ask you for.

The FCA processes personal data in line with the requirements of The General Data Protection Regulation (EU) 2016/679 and the Data Protection Act 2018. For further information about the way we use the personal data collected in this form, please read our privacy notice available on our website: [www.fca.org.uk/privacy](http://www.fca.org.uk/privacy)

**It is important that you provide accurate and complete information and disclose all the relevant information. If you do not, it will call into question your suitability to be authorised, and you may be committing a criminal offence. If so, you could face prosecution under section 398 of the FSMA regardless of the status of your application.**

### **Terms in this application pack**

In this application pack we use the following terms:

- 'you' or 'the applicant firm' refers to the firm applying for authorisation
- 'we', 'us' or 'our' refers to the appropriate regulator
- 'the FCA' refers to the Financial Conduct Authority
- 'the PRA' refers to the Prudential Regulation Authority
- FSMA refers to the Financial Services and Markets Act 2000
- 'Claims management activity' refers to regulated claims management activity except where stated otherwise

### **Purpose of this pack**

We will only authorise a firm if we are satisfied that it meets conditions known as the threshold conditions (COND 2). The information in this pack is required to enable us to assess whether the applicant firm satisfies the threshold conditions.

### **Contents of this form**

1	Contact details and timings for this application	3	8	Disclosure	26
2	About the applicant firm	4	9	Systems and controls	29
3	Scope of permission required	10	10	Compliance arrangement	30
4	Fees and levies	12	11	Personnel	32
5	Threshold condition analysis	14	12	Owners and influencers	33
6	Regulatory business plan	18	13	Fees	36
7	Financial resources	23	14	Declaration	37

## **Filling in the form**

- 1** If you are using your computer to complete the form:
  - use the TAB key to move from question to question and press SHIFT TAB to move back to the previous question; and
  - print out all the parts of the form you have completed and sign the declaration form
- 2** If you think a question is not relevant to you, write 'not applicable' and explain why.
- 3** If you leave a question blank or do not attach the required supporting information without telling us why, we will have to treat the application as incomplete. This will increase the time taken to assess your application.
- 4** If there is not enough space, you may need to use separate sheets of paper. Clearly mark each separate sheet of paper with the relevant question number.

**Claims Management Department  
Financial Conduct Authority  
12 Endeavour Square  
London  
E20 1JN**

# 1

## Contact details and timings for this application

We need this information in case we need to contact you when assessing this application.

### Contact for this application

#### 1.1 Contact details of the person we will get in touch with about this application

This must be someone who works for the applicant firm, and not a professional adviser.

Title	
First names	
Surname	
Job title	
Business address	
Postcode	
Phone number (including STD code)	
Mobile number (optional)	
Fax number (including STD code)	
Email address	

### Pre-application case

A pre-application meeting is not compulsory and we only recommend one if you believe that the meeting would significantly help you get specific support not ordinarily available to you from our website, Handbook, and other guidance materials.

#### 1.2 Please specify if you have received support from the Innovation Hub or the Asset Management Hub

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# 2

## About the applicant firm

We need to know general information about the applicant firm so we can process this application as efficiently as possible. We also need the applicant firm's details for the Financial Services Register, which is our public record of authorised firms:

<https://register.fca.org.uk/>

### Firm details

**2.1 Do you have an existing FRN (Firm Reference Number)?**

No ▶ Continue to Question 2.2

Yes ▶ Please provide your FRN and continue to Question 2.3

**2.2 Firm name**

Sole Traders: this must be your personal name. Sole Traders will always appear on the FCA Register under their personal name with any additional names which you can provide later in the form shown as a trading name. For example, an individual called William Bloggs, a sole trader firm, who has an additional trading name of XYZ Company should provide his name as William Bloggs here

### About the legal status of the applicant firm

**2.3 What type of firm is the applicant firm?**

Sole trader ▶ Continue to Question 2.8

Private limited company

Partnership (other than limited partnership or limited liability partnership)

Limited liability partnership

Public limited company

Limited partnership

Unincorporated association

UK branch of a non-EEA firm

Other ▶ you must detail below the legal status of the applicant firm

**2.4 Date of incorporation or formation (dd/mm/yyyy)**

 /  /

**2.5 In which country was the applicant incorporated or formed?**

- England/ Wales
- Scotland
- Northern Ireland
- Outside the UK ▶ Give details below

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**2.6 Does the applicant firm have a registered number e.g. Companies House number?**

- No ▶ Continue to Question 2.8
- Yes ▶ Give details below

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**2.7 Date of the applicant firm's financial year end (dd/mm)**

		/		
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**Firm address details**

**2.8 Principal place of business of applicant firm**

Principal place of business address	
Postcode	
Phone number (including STD code)	
Fax number (including STD code)	
Email address	

**2.9 Is the applicant firm an incorporated company?**

- No ▶ Continue to Question 2.10
- Yes ▶ Is the registered office address the same as the principal place of business?
  - Yes ▶ Continue to Question 2.10
  - No ▶ Give details below

Registered office address	
Postcode	
Phone number (including STD code)	
Fax number (including STD code)	
Email address	

**2.10 Does the applicant firm have a head office?**

- No ▶ Continue to Question 2.11
- Yes, it is the same as address given in Question 2.8
- Yes, it is the same as address given in Question 2.9
- Yes, it is different from the address in Question 2.8 and 2.9, give details below

Head office address	
Postcode	

**2.11 Does the applicant firm have a website address?**

- No ▶ Continue to Question 2.12
- Yes ▶ Give address below
- Being developed ▶ Give address (if known) and launch date below

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**Information for the Financial Services Register**

**2.12 Contact person's details for the Financial Services Register**

- Tick if same as Question 1.1

Title	
First names	
Surname	
Job title	
Business address	
Postcode	
Phone number (including STD code)	
Fax number (including STD code)	
Email address	

- 2.13 Please confirm that the person named above has been informed that their details will be displayed on the Financial Services Register as a contact for complaints**

### **Details of auditor / reporting accountant**

- 2.14 Does the applicant firm have an auditor or reporting accountant?**

No ▶ Continue to Question 2.15

Yes ▶ Give details below

Firm name of auditor / reporting	
Contact name	
Address	
Postcode	
Phone number (including STD code)	

### **Details of professional advisers**

- 2.15 Have you used a professional adviser to help with this application?**

No ▶ Continue to Question 2.16

Yes ▶ You must fill in the rest of this section

**Name of professional adviser's firm**

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**Name and contact details of professional adviser**

Title	
First names	
Surname	
Job title	
Business address	
Postcode	
Phone number (including STD code)	
Fax number (including STD code)	
Email address	

**2.16 Do you want us to copy all correspondence to the professional adviser?**

- No
- Yes

**2.17 If the applicant firm becomes authorised will it use a professional adviser (the adviser listed above or another one)?**

- No
- Yes

### Locum details

A locum is an authorised person at another firm who will perform the duties of an individual who is unable to perform their duties, for example, due to illness. You do not have to have a locum arrangement in place, but if you do have one, another FCA authorised firm with the same permissions will assist your clients on a temporary basis during any unforeseen circumstances.

**2.18 Please tick this box if the applicant is dependent on a single key person**

#### Firm name of locum

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#### Firm Reference Number of locum

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Title	
First names	
Surname	
Job title	
Business address	
Postcode	
Phone number (including STD code)	
Fax number (including STD code)	
Email address	

### Trading names

See guidance notes for further information on trading names

**2.19 Does the applicant firm intend to use any trading names as well as the registered name?**

- No ▶ Continue to Section 3  
 Yes ▶ Give details below

Name(s)	
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# 3

## Scope of Permission required

It is the applicant firm's responsibility to ensure the scope of permission it requests will cover all the activities that it wants to do.

### 3.1 Activity Category

Claims Management

### 3.2 Regulated activities

Agreeing to carry on a regulated activity

Under our permission regime, agreeing to carry on a regulated activity is a regulated activity in its own right. As a matter of course, a firm will carry on the regulated activity of "Agreeing to carry on a regulated activity" (which is limited to carrying on only the other regulated activities in its Scope of Permission Notice). You must apply for this activity and limitation by selecting these below.

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 claims; employment related claim)

Advice, investigation or representation in relation to a personal injury claim

Advice, investigation or representation in relation to financial services or financial product claim

Advice, investigation or representation in relation to a housing disrepair claim

Advice, investigation or representation in relation to a claim for a specified benefit

Advice, investigation or representation in relation to a criminal injury claim

Advice, investigation or representation in relation to an employment related claim

### Client money

#### 3.3 Does the applicant intend to hold client money?

No

Yes ▶ Please state for the applicant, if it holds or has held client money, the highest amount in the last calendar year, or if it did not hold client money in the previous calendar year, the highest amount of client money it projects that it will hold in the current calendar year:

You must also attach a copy of your client money handling and reconciliation procedures. Please confirm this is attached.

Yes

### **History of applicant firm**

**3.4 Has the applicant firm ever been refused – or had revoked – any licence, membership, authorisation, registration or other permission granted by a regulator or government body in the UK or overseas?**

No

Yes

**3.5 Has the applicant firm ever decided not to proceed, after making an application to a regulatory body for:**

- a licence?
- authorisation?
- registration?
- notification?
- membership?
- other permission granted by a regulatory body?

No

Yes

**3.6 If you have answered yes to Questions 3.4 or 3.5, please give a full explanation of the events in question below.**

**Make sure this includes:**

- the question number the event refers to
- the date of the event
- any amounts involved
- the outcome
- an explanation of the circumstances

# 4 Fees and levies

We require this information so that we can calculate the Applicant's annual FCA fees once authorised. We will also use this information to calculate the fees for the levies for the Ombudsman Service.

For further help on this section please see the Guidance Notes, the fees section of the Handbook, or refer to the FCA website, which includes an approximate fee calculator (<http://www.fca.org.uk/firms/being-regulated/fees/calculator> )

## 4.1 Please state the estimated annual income for claims management activities

Amount (GBP)	
Confirm amount in words	

## 4.2 Has the applicant previously been authorised by the Claims Management Regulator (CMR)?

- No ▶ Continue to Question 4.3  
 Yes ▶ Please provide authorisation number prefixed with the letters 'CRM' followed by up to 5 digits and continue to Section 5

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## 4.3 Please state the estimated annual income for claims management activities that will be conducted with eligible complainants

The Financial Ombudsman Service (FOS) general levy is based on relevant business. Relevant business is business conducted with eligible complainants (see [www.handbook.fca.org.uk/handbook/DISP/2/7.html](http://www.handbook.fca.org.uk/handbook/DISP/2/7.html) for further information and the definition of eligible complainant). If you will not conduct business with eligible complainants then you should report 'nil' in this section.

Amount (GBP)	
Confirm amount in words	

## 4.4 Will you conduct business with eligible complainants? If your answer is no you will be exempt from paying the FOS general levy

Firms that conduct business with eligible complainants under our rules ([www.handbook.fca.org.uk/handbook/DISP/2/7.html](http://www.handbook.fca.org.uk/handbook/DISP/2/7.html)) must pay the FOS general levy.

- No  
 Yes

## 4.5 Declaration of ongoing FCA fees liability

Please tick the box to confirm that the applicant understands that they are liable and remains liable to pay fees until such a time that the FCA cancels their permissions (this is irrespective of whether they are trading, they have notified us of intention to cease trading, or they have submitted an application to cancel). Firms will be able to manage their regulatory obligations in respect to Fees via our Online Invoicing system. We intend to

provide this access to you automatically, shortly after the firm is authorised and we will use your firm's Principal Place of Business email address for this initial registration. You will receive further instructions after authorisation.

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# 5

## Threshold Condition Analysis

All firms applying for FCA authorisation must be able to demonstrate to the FCA that they meet, and will continue to meet, a set of minimum requirements. These are called our 'Threshold Conditions'.

The information provided below, provides an overview of the Threshold Conditions and related guidance, it is not new guidance. It covers a summary of the key areas that claims management companies will have to show they can satisfy when seeking authorisation. Authorisation depends on being able to meet our Threshold Conditions, even if you have registered for temporary permission and paid the non-refundable periodic fee.

The Threshold Conditions are in Part 1B of Schedule 6 of the Financial Services and Markets Act 2000 (FSMA). You can see guidance on how we will assess firms against them in COND (<https://www.fca.org.uk/firms/claims-management-regulation/how-we-will-authorise-regulate>) in the FCA Handbook. Some of the guidance from COND is repeated below for ease of reference only. It is not a definitive statement of the Threshold Conditions, or COND, which are in FSMA and the FCA Handbook respectively.

Please note: the information below is specific to claims management activity. If a firm is applying for permissions to do other regulated activity, the Threshold Conditions may be different. If a firm carries on, or is seeking permission for, PRA-authorised activity it must also satisfy the threshold conditions for which the PRA is responsible.

Reference to 'firms' includes sole traders.

### 5.1 Location of offices

**If the applicant firm is a body corporate incorporated in the UK, is its head office (and, if the firm has one, registered office) in the UK? Or, if the applicant firm is not a body corporate but its head office is in the UK, does the applicant firm carry on business in the UK?**

Yes ▶ Provide detail of how this is met

No ▶ Provide detail of the actions you are taking to mitigate this

### 5.2 Effective Supervision

You must be capable of being effectively supervised – the FCA will have regard to all the circumstances including:

- Nature (including complexity) of products/regulatory activities.
- The way in which your business is organised.
- If part of a group, whether this is likely to prevent effective supervision of the firm.
- The nature of any close links with another person and whether they may prevent effective supervision of the firm.
- Whether the person with whom the applicant firm has close links is subject to laws, regulations or administrative provisions of a territory outside the EEA, and whether those provisions, or a deficiency in their enforcement, would prevent effective supervision of the firm.

In assessing the above conditions, the FCA will consider, among others in COND, the following factors:

- Whether the firm is ready, willing and organised to comply with Principle 11 and rules in SUP (<https://www.handbook.fca.org.uk/handbook/SUP>) regarding providing information to the FCA.
- Structure and geographical spread of the firm, group or other persons the firm has close links to.

**Does the applicant meet this threshold condition?**

- Yes ▶ Provide detail of how this is met  
 No ▶ Provide detail of the actions you are taking to mitigate this

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### 5.3 Appropriate Resources

#### Non-financial

Resources must be appropriate in relation to the intended regulated activities. Things FCA will consider include:

- Nature and scale of the business.
- The risks to the continuity of services.
- Possible impact from membership of a group.
- The skills and experience of those that manage the business.
- Whether the firm has sufficient resources to ensure compliance with requirements imposed on the business by the FCA, or other requirements for which the FCA would be the appropriate regulator.

#### Financial

Financial resources must be appropriate (sufficient in terms of quantity, quality and availability).

All CMCs (including solely lead generators) must have sufficient financial resources. The FCA will consider:

- The provision the applicant firm (and its group where relevant) makes to meet liabilities.
- How the firm, and any group members, manage the incidence of risk in connection with the business.

There are additional prudential requirements for CMCs in CMCOB 7 although a transitional period applies to some of those requirements until August 2019.

COND sets out what the FCA will take into account, when considering the adequate resources threshold condition including, but is not limited to whether the firm has been:

- adjudged bankrupt;
- entered into liquidation;
- been the subject of a receiving or administration order;
- had a bankruptcy or winding-up order served on it;
- had its estate sequestrated;
- entered into a deed of arrangement or an IVA (or in Scotland, a trust deed) or other composition in favour of its creditors, or is doing so;
- or

- within the last ten years, failed to satisfy a judgement debt under a court order in the UK or elsewhere

**Does the applicant firm meet the aspects of this threshold condition that currently apply to firms doing regulated claims management activity?**

- Yes ▶ Provide detail of how this is met  
 No ▶ Provide detail of the actions you are taking to mitigate this

**5.4 Suitability**

Must be fit and proper person having regard to all the circumstances which will include:

- Connection with any person.
- The nature (including complexity) of any regulated activity.
- Affairs conducted in an appropriate manner having regard to the interests of consumers and the integrity of the UK financial system.
- Whether and how the applicant firm has and is complying with any requests made or requirements imposed by the FCA regarding provision of information.
- Whether those who manage the firm's affairs have adequate skills and experience and act and may be expected to act with probity.
- Whether the business is (or will be) managed to ensure that its affairs will be conducted in a sound and prudent manner.
- Minimising the extent to which the business could be used for financial crime.

Examples from COND of the kind of general considerations to which the FCA may have regard when assessing whether a firm will satisfy, the Threshold Condition above include but are not limited to whether the firm:

- Conducts or will conduct its business with integrity & in compliance with proper standards
- Has or will have a competent and prudent management
- Can demonstrate that it conducts or will conduct its affairs with due skill, care and diligence

**Does the applicant meet this threshold condition?**

- Yes ▶ Provide detail of how this is met  
 No ▶ Provide detail of the actions you are taking to mitigate this

**5.5 Business Model**

The business model must be suitable for a person performing these regulated activities. This will include:

- Whether the business model is compatible with the firm's affairs which will be conducted in a sound and prudent manner.
- The interests of consumers.
- The integrity of the UK financial system.

In deciding how they will satisfy and continue to satisfy the Threshold Condition above, the applicant firm should consider the matters (in COND) including but not limited to:

- The assumptions underlying the business model and justification for it.
- The rationale for the business, its competitive advantage, viability and longer-term profitability of the business.
- The needs and risks to consumers.
- The expectations of stakeholders (eg, shareholders and regulators).
- The products and services being offered and product strategy.
- The governance and controls of the firm/group.
- The growth strategy of the firm and any risks arising.
- Any diversification strategies.
- The impact of the external macroeconomic and business environment.
- The FCA may take into account the firm's other business activities (if any) if it believes that they may impact their regulated activities.

**Does the applicant meet this threshold condition?**

Yes ▶ Provide detail of how this is met

No ▶ Provide detail of the actions you are taking to mitigate this

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# 6

## Regulatory business plan

We need to know about the business the applicant firm intends to carry on so we can assess the scope of the authorisation it will need, the adequacy of its resources and its suitability.

### Background

#### The applicant must provide a regulatory business plan.

You will only need to attach one regulatory business plan but you must ensure that it covers all the regulated activities being applied for.

It is important that this is tailored to the applicant's business, otherwise it may lead to delays.

As a guide, as well as the points covered in the guidance notes to this form, the business plan should include:

- full explanation of your business, its background and what it will do, including the types of claims you intend to handle
- objectives (eg, business opportunity, market share, aims)
- details of your governance framework and key personnel
- details of key operational matters
- experience and employment background of your firm's principals and an explanation of how they are competent to perform the regulated activities you want to carry on
- analysis of key business and regulatory risks
- your long-term strategy and financial projections for 3 years
- details of websites, promotions and communications
- details of all fees that could be payable by the customer, how they are explained to the customer and at which point(s) the customer is required to pay the fees details of how customers will be kept up to date with the progress of their claim

#### 6.1 Please confirm that a regulatory business plan is attached and also covers these points as well as those covered in the notes

Yes

#### Please answer the following questions in relation to the claims management activities of the applicant

#### 6.2 Which sales channels does the applicant intend to use and what will each method of sale be as a percentage of total sales?

Method of Sale	Approximate % of total sales
Face-to-face	%
Telephone sales	%
Internet based sales	%
Postal	%
Other	%

If you selected 'Other from the table above, please give details below of the channel(s) the applicant intends to use and the approximate percentages:

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**6.3 How will the applicant source customers?**

Website advertising	
Third parties	
Lead generator	
Word of mouth/personal recommendations	
Other	

If Other please specify:

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**6.4 Is the applicant firm leaving a network?**

- No ▶ Continue to Question 6.5
- Yes ▶ You must give details below

Name of network	
Date notice given (will be given)	dd/mm/yy
Notice period	

**Current Appointed Representatives**

As a firm cannot be both authorised and exempt, any firms that are currently an Appointed Representative (AR) under the current FCA regime will need to decide how they wish to proceed. They can continue to be an AR while they have a claims management temporary permission but they will need to decide what they want to do by the end of their allocated landing slot. They have the following options:

- Stop being an AR for the regulated activity and apply for authorisation for both the CMC activity and the activity they performed as an AR.
- Stop being an AR and stop performing that regulated activity.
- Stop claims management activity and continue being an AR.
- Apply for authorisation for separate legal entities to perform the claims management activity and the AR activity separately.

**6.5 Does the applicant firm intend carrying on any unregulated business activities?**

- No ▶ Continue to Question 6.6  
 Yes ▶ You must estimate below the percentage and value of total business that will be unregulated. You must also provide a description of the unregulated business the applicant firm will be conducting

Unregulated activities	%	£
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Description of the unregulated business the application firm will be conducting	
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**6.6 How will the applicant firm be remunerated?**

- Fixed fees  
 Percentage-based fees  
 Commissions  
 Other, please give details below

Please give precise details regarding the applicant firm's remuneration structure, including both monies received from the client and from any provider firms used. Where applicable, please provide percentages, frequency and type. If the applicant firm intends to generate income from any other activities please give details below.

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**Additional Questions**

**6.7 Does the applicant make any use of premium rate numbers?**

- No ▶ Continue to Question 6.8  
 Yes ▶ Please provide full details below

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**6.8 Is the applicant currently taking over the business of any other firm or are there any plans for the applicant to do so? (Or if already trading, has the applicant acquired the business of any other firms in the last 5 years?)**

- No ▶ Continue to Question 6.9  
 Yes ▶ Please provide full details below

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**6.9 Does the applicant use or intend to use third party lead generators?**

- No ▶ Continue to Question 6.10  
 Yes ▶ Please confirm the number of lead generators you will use

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**6.10 Does the applicant intend to accept introductions from lead generators benefitting from the exclusion for certain providers of referrals?**

Article 89V in Part 3B of the FSMA 2000 (Regulated Activities) Order 2001 (SI 2001/544) sets out an exclusion for certain providers of referrals. See Article 7 of the Financial Services and Markets Act 2000 (Claims Management Activity) Order 2018 (SI 2018/1253):  
<http://www.legislation.gov.uk/ukxi/2018/1253/article/7/made>

- No ▶ Continue to Question 6.11
- Yes ▶ Please provide details of the intended number of exempt lead generators and the nature of their business

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**6.11 Does the applicant intend to represent customers before a tribunal or make representations on behalf of the customer, to an ombudsman service or insurer?**

- Yes
- No

**6.12 Does the applicant have procedures in place for dealing with vulnerable consumers?**

- No ▶ Continue to question 6.13
- Yes ▶ Please attach a copy of your client money handling and reconciliation procedures. Please confirm that this is attached.
- Yes

**If you are only applying for the permission of seeking out, referrals and identification of claims or potential claims ▶ Continue to Question 6.15**

**If you are applying for any of the permissions in relation to advice, investigation or representation of a claim ▶ Continue to Question 6.13**

**6.13 Please attach a copy of your pre-contract information in relation to your claims management activities**

Please confirm that this is attached.

- Yes

**6.14 Please attach a sample copy of your customer contract in relation to your claims management activities**

Please confirm that this is attached.

- Yes

**Scale of Business**

**6.15 How many clients does the applicant expect to have in relation to its regulated activities?**

At authorisation	
12 months after authorisation	

**Business Risks**

**6.16 What are the main business risks for the applicant and how does it intend to manage those risks?**

A business risk is a circumstance or factor that may have a negative impact on the operation or profitability of a firm. It can be a result of internal or external factors e.g. loss of key person, on-going financial solvency not being met, client being given unsuitable advice, inadequate systems and controls, economic factors, competitors and their reaction to the applicant's presence in the market.

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## Branches

**6.17 Will the applicant have any branches in the UK that intend conducting regulated activities?**

- No ▶ Continue to Question 6.18  
 Yes ▶ Number of branches and general location of branches

## Outsourcing with third parties

**6.18 What functions (if any) will the applicant outsource?**

Outsourcing is the act of one firm contracting with another to provide services that might otherwise be performed by in-house employees. You must include details of the parties that the functions will be outsourced to and how the applicant firm will monitor and control the outsourced functions.

Provide details of the area that is outsourced, who it is outsourced to, their FCA reference number and the monitoring/controlling plans that are in place

## Treating Customers Fairly (TCF)

We expect customers' interests to be at the heart of how firms do business. Customers can expect to get services and products that meet their needs from firms that they can trust. Meeting customers' fair and reasonable expectations should be the responsibility of firms, not that of the regulator. TCF focuses on six consumer outcomes (<https://www.fca.org.uk/firms/fair-treatment-customers>) which firms must deliver to consumers.

**6.19 Has your firm reviewed the TCF outcomes and ensured that they have been applied?**

- Yes  
 No

**6.20 TCF should be a key consideration for all firms. Please tell us how the fair treatment of customers has been considered in the development of the applicant's business plan**

**6.21 How will the applicant's senior management ensure that TCF is embedded in the culture of the firm and that it can demonstrate that the firm is consistently delivering fair outcomes to consumers?**

**6.22 What have the management of the applicant identified as the key risks to consumers in its model and what action has been taken to mitigate these risks?**

# 7 Financial Resources

All authorised firms must meet certain financial resource requirements. We need to be satisfied that the applicant firm will meet these requirements from the date of authorisation and will continue to meet them

Management Accounts are a set of summarised accounting information that is prepared and presented on a regular basis e.g. monthly, quarterly or annually specifically for a firm's management. End of year accounts is accounting procedure undertaken at the end of the year to close out business from the previous year, carry forward balances from the previous year, and open posting accounts for the upcoming year. Year-end closing is part of a company's closing operations, and is used to create a company's financial statements. If the applicant is subject to audit of its accounts it is the most recent audited end of year account that we need to see.

## All applicants must provide the following

### 7.1 An opening balance sheet to demonstrate how the applicant will meet its financial resources requirement at the date of authorisation.

Please confirm this is attached.

Yes

### 7.2 A forecast closing balance sheet for the first 12 months of trading as an authorised firm

Please confirm this is attached.

Yes

### 7.3 A monthly cash flow forecast for the first 12 months of trading as an authorised firm

Please confirm this is attached.

Yes

### 7.4 A monthly profit and loss forecast for the first 12 months of trading.

As a minimum, the profit and loss forecast must disclose the following on a monthly basis:

- a gross income, analysed between regulated and un-regulated activities
- business expenditure, relevant annual expenditure, analysis of the major overheads expenditure; and
- profit before taxation

Please confirm this is attached.

Yes

### 7.5 Is the applicant currently trading?

No ▶ Continue to Question 7.6

Yes ▶ You must attach the applicant's most recent annual and management accounts if annual accounts are not recent. Please confirm that this is attached.

Yes

## Financial Resources

### 7.6 Which type of firm is the applicant firm?

Limited company

▶ Continue to Question 7.7

Sole trader

▶ Continue to Question 7.8

- Partnership ▶ Continue to Question 7.9  
 Limited liability partnership ▶ Continue to Question 7.10  
 Other ▶ Continue to Question 7.11

### Limited Company

#### 7.7 You must state the amounts of the different sources of the applicant firm's capital

Please tick	Source	Amount (£)
<input type="checkbox"/>	Fully paid-up ordinary shares	
<input type="checkbox"/>	Share premium account	
<input type="checkbox"/>	Preference shares (allowable if not redeemable within two years)	
<input type="checkbox"/>	(Audited) reserves *	
<input type="checkbox"/>	(Verified) interim net profits *	
<input type="checkbox"/>	Revaluation reserves	
<input type="checkbox"/>	Subordinated loans	
	Total	

\* Audit may not be required if exempt under the Companies Act 2006

**Continue to Question 7.12**

### Sole trader

#### 7.8 You must attach the following:

- Statement of personal assets and liabilities (see notes)  Attached  
 Statement of business assets and liabilities (see notes)  Attached

**Continue to Question 7.12**

### Partnership

#### 7.9 You must attach the following:

- Statement of personal assets and liabilities (see notes) (one per partner)  Attached  
 Statement of business assets and liabilities (see notes) (one only)  Attached

Continue to Question 7.12

### Limited Liability Partnership

**7.10 You must state the amounts of the different sources of the applicant firm's capital**

Please tick	Source	Amount
<input type="checkbox"/>	Members' capital agreement	
<input type="checkbox"/>	Members' reserves	
<input type="checkbox"/>	Subordinated loan(s)	
	Total	

Continue to Question 7.12

### Other applicant firms

**7.11 You must provide details of the applicant firm's constitution and the different sources of the applicant firm's capital.**

### Sources of External Funding

**7.12 Does the applicant have any subordinated loans?**

- No ▶ Continue to Question 7.13
- Yes ▶ Please provide details of all subordinated loans including: name of loan provider, amount, date of agreement, nature of funding, repayment terms, final payment date, interest payable % and interest type

**7.13 Does the applicant have other external funding?**

- No ▶ Continue to Section 8
- Yes ▶ Please provide details of all external funding including: name of funding provider, amount, nature of funding, repayment terms, final payment date, interest payable % and interest type.

If the applicant firm has external funding but has not drawn down on the external funding, you must still provide this information

# 8

## Disclosure

**8.1 Has the applicant firm ever been regulated by us or any other regulator before making this application?**

- No ▶ Continue to Question 8.2  
 Yes ▶ Give details below

Name of regulator

Address of regulator

Applicant firms identification number with that regulator (FRN if previously regulated by us)

**8.2 Has the applicant firm ever been presented with a petition for bankruptcy, a petition for compulsory winding up or creditors' voluntary arrangements?**

- Yes  
 No

**8.3 Has the applicant firm ever had a receiver or administrator appointed, failed to satisfy a debt adjudged due, or come to a compromise or similar arrangement over a debt with any of its creditors?**

- Yes  
 No

**8.4 Has the applicant firm ever been the subject of a corporate restructure, because of any form of insolvency or otherwise?**

- Yes  
 No

**8.5 Has the applicant firm ever been the subject of any criminal investigations or proceedings?**

In answering this question, firms are not required to disclose details of any specific individuals who were subject to historic (as opposed to ongoing) criminal investigations or historic criminal proceedings.

- Yes  
 No

**8.6 Has the applicant firm been the subject of any civil investigations or proceedings or arbitration in the last five years?**

- Yes  
 No

**8.7 Does the applicant firm have any unsatisfied judgments, debts or awards outstanding against it?**

- Yes  
 No

**8.8 Has the applicant firm entered into any material settlements in the last five years, whether or not on an ex gratia basis?**

- Yes  
 No

**8.9 Has the applicant firm ever been convicted of fraud or other dishonesty?**

- Yes  
 No

**8.10 Has the applicant firm ever been convicted of an offence under legislation (whether in the United Kingdom or not) relating to any of the following:**

- companies
- building societies
- industrial and provident societies
- credit unions
- friendly societies
- insurance
- banking
- mortgages
- other financial services
- insolvency
- consumer credit
- consumer protection
- compensation claims?

- Yes  
 No

**8.11 Has the applicant firm had any material written complaints made against it by its clients or former clients in the last five years which it has accepted, or which are awaiting determination, or have been upheld – by an ombudsman or a complaints scheme?**

- Yes  
 No

**8.12 Has the applicant firm ever been:**

- criticised
- censured
- investigated
- disciplined
- suspended
- expelled
- fined
- been subject to any other disciplinary intervention action by any regulator or government body in the UK or overseas?

- Yes  
 No

**8.13 Has the applicant firm ever been found guilty of carrying on any unauthorised regulated activities or been investigated for the possible carrying on of unauthorised regulated activities?**

- Yes  
 No

**8.14 Is the applicant firm currently involved in any proceedings, investigations or other events referred to in any of the questions above that are pending or not yet determined?**

- Yes
- No

**8.15 Are there any other significant events relating to the applicant firm which we have not asked about in Questions 8.2 to 8.14 that have happened – or are taking place – that are relevant to the applicant firm's application for authorisation?**

- Yes
- No

### **Explanations**

**8.16 If the answer to any of Questions 8.2 to 8.15 is Yes, please give a full explanation of the events in question on a separate sheet of paper.**

**Make sure this includes:**

- the question number the event refers to
- the date of the event
- any amounts involved
- the outcome
- an explanation of the circumstances

Please indicate how many separate sheets of paper you have used

Number of additional sheets	
-----------------------------	--

# 9

## Systems and controls

We must be satisfied that the applicant firm has appropriate systems and controls to meet its regulatory obligations

### IT systems

**9.1 Will the applicant be using only commercial off the shelf computer products/packages e.g. Word, Sage accounting software, Lotus Notes?**

If you are using both off-the-shelf and bespoke IT systems, you must list the off-the-shelf systems in the boxes provided and provide a brief description below of your bespoke systems.

Yes ▶ Give the names of the packages below

Business transaction recording system	
Accounting system	
Other IT systems, eg Word, Excel	

No ▶ You must provide a brief description of your proposed bespoke systems (this must include details of your IT systems, business transaction recording system and accounting system). You must also attach a copy of the detailed IT controls form, the form can be accessed using the following link: [www.fca.org.uk/publication/forms/detailed-it-controls-form.xlsm](http://www.fca.org.uk/publication/forms/detailed-it-controls-form.xlsm)

--

Please confirm that a detailed IT control form is attached

**9.2 Is the applicant firm already using these systems?**

Yes ▶ Continue to Question 9.3

No ▶ You must state below when you expect them to be installed.

--

### Business continuity and disaster recovery

**9.3 Please tick the box to confirm that the document is created and ready for the FCA to inspect.**

The Disaster Recovery Plan ensures that the applicant firm is able to function and meet its regulatory obligations in the event of an unforeseen interruption. These arrangements should be regularly updated and tested to ensure their effectiveness. Examples of business interruption might include, loss or failure of internal or external resources such as people, systems or other assets, loss or corruption of information and external events such as vandalism or adverse weather. For more information refer to the Guidance Notes.

**Full business continuity procedures (BCP)**

**Any agreements or terms of reference agreed with any third party providing compliance or other services to the applicant**

**Any outsourcing arrangements for disaster recovery**

# 10

## Compliance arrangements

We need to ensure the applicant firm has the appropriate compliance arrangements in place to meet its regulatory obligations.

### Compliance procedures

**10.1 If you are only applying for the permission of seeking out, referrals and identification of claims or potential claims**

**The applicant is not required to send compliance procedures with this application, but must be able to produce a copy at any time while we are assessing the application or in the future.**

**You must confirm the applicant firm has documented compliance procedures in place.**

Yes ▶ Continue to Question 10.3

**10.2 If you are applying for any of the permissions in relation to advice, investigation or representation of a claim:**

**Please attach a copy of your compliance procedures**

Please confirm this is attached

Yes

### Compliance monitoring programme

The Applicant must establish, maintain and carry out a programme of actions to check that it complies and continues to comply with its compliance procedures. This is called a compliance monitoring programme, which must be sent with this application. There is an example of one in the guidance notes.

The compliance monitoring programme must be relevant to the regulated activities the Applicant wishes to carry on and to its business, so the compliance monitoring programme must be tailored to the Applicant's business.

A compliance monitoring programme must describe the actions the individual responsible for the compliance of the firm and their staff will take to ensure the Applicant complies with the FCA's rules and guidance at all times, in particular:

- what checks will take place;
- how often the checks will take place, as appropriate to the procedure being checked – this might be daily, weekly, monthly, quarterly, annually or another period specified by the FCA;
- who will carry out the checks – this is the role of the person who will make the check, such as the Compliance Officer, Training and Competence Officer, Money Laundering Reporting Officer; and
- what records of the checks will be kept to confirm they have taken place.

**10.3 You must confirm that you have attached a compliance monitoring programme.**

Yes

### Financial crime

**10.4 You must briefly describe the procedures the applicant firm has in place to counter the risks that it might be used by third parties to further financial crime. This includes any offence involving:**

- **fraud or dishonesty**
- **misconduct in, or misuse of information relating to, financial markets or**
- **handling the procedures of crime (SYSC 6.3)**

**Please include the following**

- **the steps the applicant firm will take to ensure its Money Laundering Reporting Officer (MLRO) knows their duties and is able to perform their controlled function effectively**
- **the procedures that will ensure that the applicant firm will obtain sufficient evidence of the identity of, and undertake all necessary due diligence exercises in relation to all its clients**
- **the systems and controls that will ensure that know your business information (see SYSC 3.2.6) is made available to the applicant firm's MLRO**
- **the anti-money laundering training the applicant firm will provide for its relevant staff**
- **the disciplinary procedures for any member of staff who fails to report promptly to the MLRO any suspicions or belief that money laundering is occurring**

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# 11

## Personnel

### **Staff organisational structure chart**

The applicant firm must demonstrate that it has an effective management structure and clear reporting lines to senior managers.

#### **11.1 Is the applicant firm a sole trader or a sole director limited company with no employees?**

- Yes ▶ Continue to Section 12
- No ▶ You must provide on a separate sheet of paper a staff organisational structure chart, clearly indicating senior management and decision makers, the structure of the departments/teams and the number of people undertaking each role.
- Please confirm you have attached a staff organisational structure chart.

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# 12

## Owners and influencers

We must be satisfied that the applicant firm has appropriate systems and controls to meet its regulatory obligations.

See [www.handbook.fca.org.uk/handbook/glossary/G226.html](http://www.handbook.fca.org.uk/handbook/glossary/G226.html) for the definition of a controller.

### 12.1 How many controllers do you have?

1 to 5 controllers – please give details of the controllers below who are not directors or partners as you have already provided these details in the core details form.

more than 5 controllers – if it is too complicated to show the nature of the relationship between the applicant firm and each of the controllers in the details below – please provide a structure chart on a separate sheet of paper. The structure chart should show the nature of the relationship between the applicant firm and each of its controllers. It must also include the information asked for below.

Structure chart provided on separate sheet.

#### Controller 1

Name

Legal status of controller, eg individual, partnership, limited company

Percentage of shares or voting rights held in the applicant firm

#### Controller 2

Name

Legal status of controller, eg individual, partnership, limited company

Percentage of shares or voting rights held in the applicant firm

Percentage of shares or voting rights held in the applicant firm's parent(s)

**Controller 3**

Name

Legal status of controller, eg individual, partnership, limited company

Percentage of shares or voting rights held in the applicant firm

Percentage of shares or voting rights held in the applicant firm's parent(s)

**Controller 4**

Name

Legal status of controller, eg individual, partnership, limited company

Percentage of shares or voting rights held in the applicant firm

Percentage of shares or voting rights held in the applicant firm's parent(s)

**Controller 5**

Name

Legal status of controller, eg individual, partnership, limited company

Percentage of shares or voting rights held in the applicant firm

Percentage of shares or voting rights held in the applicant firm's parent(s)

## Controller forms

**12.2 Applicant firms must submit with this application the appropriate Controller Forms for each of its controllers. These forms can be found by following the link below.**

Applicant firms that have:

- a corporate controller(s) must submit a Corporate controller form
- a partnership controller (s) must submit a Partnership controller form
- an individual controller(s) must submit an Individual controller form
- a trust controller(s) must submit a Trust controller form for each of the controller(s)

See link: <https://www.fca.org.uk/firms/authorisation/how-to-apply/financial-services/controller-forms>

Controller forms attached

## Close links

**12.3 Does the applicant firm have close links?**

- No ▶ Continue to Section 13  
 Yes ▶ Continue to Question 12.4

**12.4 You must provide a structure chart to show the nature of the relationship between the applicant firm and each close link (please include the business type of the close link). If you are already providing a structure chart to illustrate the applicant firm's controller(s) or group, that chart should include all the applicant firm's close link(s)**

Structure chart provided on separate sheet

Please indicate how many separate sheets of paper you have used

Number of additional sheets

**12.5 Are you aware of any information to suggest that any close link is likely to prevent our effective supervision of the applicant firm?**

- No ▶ Continue to Section 13  
 Yes ▶ Give details below

**12.6 Do the controllers intend to change (increase or reduce) their level of control in the foreseeable future?**

- No ▶ Continue to Section 13  
 Yes ▶ Please provide more information

# 13 Fees

You must be ready to pay the application fee in full at the same time as submitting your application, by credit/debit card (you may pay by bankers draft, cheque or other payable order by prior arrangement only if it is not possible to pay by credit or debit card). If the fee is not paid in full within five working days of the date that we contact you after you submit this form, your application will be returned to you. This fee is non-refundable.

**For smaller firms, turnover up to and including £1 million, the application fee is £1,200**

**For larger firms, turnover of more than £1 million, the application fee is £10,000**

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# 14

## Declaration

It is a criminal offence, knowingly or recklessly, to give the FCA information that is materially false or misleading (see sections 398 and 400 FSMA). Even if you believe or know that information has been provided to the FCA before (whether as part of another application or otherwise) or is in the public domain, you must nonetheless disclose it clearly and fully in this form and as part of this application – you should not assume that the FCA will itself identify such information during the assessment of this application. If there is any doubt about the relevance of information, it should be included.

There will be a delay in processing the application if information is inaccurate or incomplete, and it may call into question the suitability of the applicant and/or lead to the FCA exercising its powers (including but not limited to taking disciplinary/ Enforcement action). You must notify the FCA immediately if there is a change to the information in this form and/or if inaccurate information has been provided.

I/We confirm that the information provided in this application is accurate and complete to the best of my/our knowledge. I/We will notify the FCA immediately if there is a material change to the information provided.

I/We authorise the FCA to make such enquiries and seek such further information as it thinks appropriate to identify and verify information that it considers relevant to the assessment of this application. These checks may include credit reference checks or information pertaining to fitness and propriety. I/We are aware that the results of these enquiries may be disclosed to the firm/employer/applicant.

I/We agree that the FCA may, in the course of processing this application, undertake a Police National Computer (PNC) check in respect of any or all of the persons to whom this application relates.

Where the signatory to this application has provided an address and/or email address in connection with the applicant's business, the signatory agrees on behalf of the applicant that the FCA may use such address and email address as the 'proper address for service' at which to give the applicant a 'relevant document' as those terms are defined in Financial Services and Markets Act 2000 (Service of Notice) Regulations (SI 2001/1420).

I have attached the relevant documents where requested or I have them fully ready and available on request and I have taken all reasonable steps to ensure they are correct.

I confirm that where I have certified that documents are ready they have been prepared to an appropriate standard and are available for immediate inspection by the FCA.

I understand that the FCA may require the applicant firm to provide further information or documents at any time.

I confirm that I am authorised to sign this form on behalf of the firm and/or controller(s) and (where applicable) to give each of the confirmations on behalf of the applicant set out in this declaration.

The FCA processes personal data in line with the requirements of The General Data Protection Regulation (EU) 2016/679 and the Data Protection Act 2018. For further information about the way we use the personal data collected in this form, please read our privacy notice available on our website as <https://www.fca.org.uk/data-protection>.

In addition to other regulatory responsibilities, firms and approved persons have a responsibility to disclose to the FCA matters of which it would reasonably expect to be notified. Failure to notify the FCA of such information may lead to the FCA taking disciplinary or other action against the firm and/or individuals.

I am aware that, while advice may be sought from a third party (e.g. legal advice), responsibility for the accuracy of information, as well as the disclosure of relevant information, on the form is ultimately the responsibility of those who sign the application.

### Review and Submission

The ability to submit this form is given to an appropriate user or users by the firm's principal compliance contact.

Tick here to confirm that the person submitting this Form on behalf of the Firm and (if applicable) the Individual(s) named below - have read and understood the declaration.

### Who must sign the declaration?

This declaration must be signed by the person(s) responsible for making this application on behalf of the Applicant. There can be one or two required signatures depending on the number of directors / partners in the firm.

Is there more than one director / partner as applicable to the legal status of the firm?

- Yes ▶ Provide more than one signatory below  
 No ▶ Provide one signatory below

I confirm that a permanent copy of this application, signed by myself and the signatories, will be retained for an appropriate period, for inspection at the FCA's request.

Name of authorised signatory	
Signature	
Date	

Name of authorised signatory	
Signature	
Date	